WHY THE RICH DON'T CARE

The Washington Monthly

APRIL 1978/$1.50

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Jordan and Georgia vs. The Establishment

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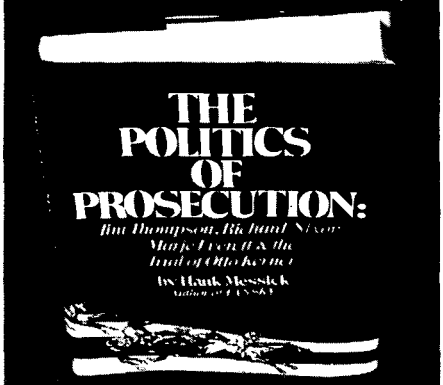

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Letters

As a Commissioner of the Securities and Exchange Commission I appreciate the necessity for responsible and constructive criticism of our agency. Further, I believe that the relationship between the Commission and the securities bar is worth examining and discussing. However, I do not believe that the article by John A. Jenkins that appeared in the February issue of *The Washington Monthly* ["Such Good Friends: The SEC and the Security Lawyers"] contributed to intelligent discourse on this subject, in part because of the personal insinuations made against persons mentioned in the article.

During the course of my career I worked as an SEC staff attorney in the New York regional office at a time when Stanley Sporkin was an administrator in the Division of Trading and Markets. Subsequently, I worked as an associate in a law firm where Kenneth Bialkin is a partner. As a result of my close professional contacts with both Mr. Bialkin and Mr. Sporkin, I developed a respect for the legal ability and professional integrity of each of them. The suggestion in the article by Mr. Jenkins that there is an improper personal relationship between Mr. Bialkin and Mr. Sporkin is a disservice to the Commission and the securities bar and will not be taken seriously by any attorney who knows either of them.

Although this is not the appropriate vehicle for setting forth my views on all the issues raised by Mr. Jenkins, I wish to at least disagree with the suggestion that there is something improper about the relationship between the Commission and the securities bar because such a large proportion of that bar is composed of SEC alumni. The expertise that such an attorney develops on the Commission's staff is a valuable asset not only to the attorney's clients but to the public at large, because such a lawyer is in a position to give sound advice which is consistent with the requirements of the federal securities laws and responsive to this agency's policies. The federal securities laws are in many respects self-executing and do not require a large federal bureaucracy for their administration. However, without a sophisticated and cooperative securities bar, a greater prosecutorial capability would be required. The "revolving door" between a regulatory agency and the bar that practices before it is a complicated topic which merits thoughtful analysis rather than the critique by innuendo Mr. Jenkins gave it.

ROBERTA S. KARMEL
Washington, D.C.

The author replies:

The incident involving Messrs. Sporkin and Bialkin was used to illustrate the close relationship that often exists between the Commission and the private bar. As I stated in my article, I am concerned that the Commission, by joining in an enforcement partnership with corporate lawyers representing clients whose interests must necessarily differ from those of the SEC, may be depriving itself of the independence it needs to effectively police our vast securities markets. Although my article questioned how well the public is served by this well-established system of cooperative enforcement, it did not suggest improper purposes on the part of Messrs. Bialkin, Sporkin, or anyone else named in the article. I regret any inference by readers to the contrary. As to the other comments made by Ms. Karmel, I stand by my reporting.

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Correction

Last month we failed to credit Susan Foster as the artist for the illustration on page 47. It originally appeared on the cover and jacket of *China and the Major Powers in East Asia* by A. Doak Barnett, published by The Brookings Institution.

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Tilting at Windmills

Remember how angry you used to get when Dean Rusk would defend our actions in Vietnam by saying we had to "honor our commitments"? But now that we're having so much trouble getting the Israelis to be reasonable, one has to admit that Rusk wasn't talking about nothing. There would be no trouble at all if the Israelis were certain we would honor our commitment to defend them against agression. I suggest, however, that Israel should take heart from our experience in Vietnam. If we fought for eleven years for a bad commitment, what might we do for a good one? . . . When my son was five years old, he got a football uniform for Christmas. We went out to the back yard and played for a while. As I turned to go inside, my son, with his helmet tucked under his arm and an expectant look on his face, said, "What about the post-game interview?" As Daniel Boorstin has observed, "We can no longer say that Life imitates Art, for now Life imitates Television." The coal strike is a recent example. Strat Douthat of AP reports from Madison, West Virginia:

"Along with its many other effects, the 86-day coal strike has brought out the desire in dozens of miners to be media stars. . . . Many of these miners couldn't resist the photographers and TV camera crews. As a result, an unacknowledged competition developed to see who could get into the papers and on the six o'clock news. The prevailing criteria seemed to call for outrageous comment, the more inflammatory the better.

"With the TV producers running around, grabbing outspoken miners and the print media reporters doing the same, the competition became fierce. Some miners even began collaring reporters.

"The height of this came when several members of the so-called 'Right-to-Strike' faction announced they planned to burn copies of the contract on the civic center steps. And they did, but not before making certain that their act was being carefully recorded on tape and film."

Since this is the era of the conspiracy theory, I feel it is time for me to float my favorite. It is that if religion is the opiate of the masses, art is the opiate of the intellectuals. The rich have conspired to syphon the brightest of the lower orders into the arts, where their work will entertain but not threaten their patrons. Occasionally a Goya or a Beethoven or a Dickens will attempt a political statement, but by and large artists leave politics alone. They may give us joy, they may illumine the inner secrets of our hearts, but they don't tell us how to make government serve the people. Bernard Shaw is the exception that reminds us how lively political discourse could be if artists were not

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seduced from its practice, and of how badly we need relief from the stupefying dullness of most of the literature of political science.

If, however, trends in magazine publication have any relation to trends among intellectuals, my conspiracy theory may be all wet. A new magazine called *Politicks* was started last fall, *Skeptic* has just changed its name to *Politics Today*, *The New Republic* and *The Nation* have received infusions of new money, and state magazines of politics and government like *The California Journal* are springing up all over the place.

Attend closely, for what follows is a story that explains a lot. Early last year Jimmy Carter told his subordinates that he wanted welfare reform, but that he didn't want it to cost much more than welfare costs now. They came back with a program that was announced to the press as costing only $2.8 billion more. By the time the program was put in the federal budget the figure was $8.8 billion. Now the Congressional Budget Office estimates it will cost $17.4 billion. And my source in the Office of Management and Budget says it will finally be more like $28 billion.

Why, then, the original $2.8 billion figure? Carter's subordinates in the Domestic Council and HEW wanted welfare reform. Carter said he wouldn't go for it unless the cost was held down. So they lied to Carter to get the program past him originally. Once he found out what had happened, he didn't feel he could admit the true dimensions of the error without seeming incompetent, so in the budget he raised the cost to only $8.8 billion, or less than a third to a half of what it will turn out to be.

Why is this so important? Well, these same people—in the Domestic Council and at HEW—are responsible for coming up with a national health insurance program that they can sell to Carter, who, you will remember, wants to balance the budget some day. Doesn't it seem likely that, believing in national health insurance even more intensely than they do in welfare reform, they will again give Carter a figure that is false—and not just a little bit false—and that we will be on our way to national bankruptcy?

A problem like health care is so big that sneaking through a few extra billions on the national budget isn't the way to face it—we really need to stop letting the providers of medical services set their own fees, and that means we need a president who will make this clear. Under the sneaking-it-through approach, nobody ever stands up to the special interests that have a stranglehold on a national problem—in this case the medical lobby. The way to stand up to an interest group that strong is to arouse public support, and that requires seeking reform openly, not covertly.

Similarly, with welfare reform and the whole problem of income maintenance for people who don't have enough money to live on, there is not enough money to do the job if we continue all the existing programs. We can take care of people below the poverty line, but we cannot afford to continue to pay social security, veterans' pensions, and unemployment compensation to people who don't need the money. We must have a president who will educate people to these facts, to the hard choices that must be made. At least then he will have a chance of creating a constituency to support the right choice.

There is a long and honorable tradition among the "good guys" in government of trying to get away with slipping something good into government policy, changing the language of a bill or of a presidential decree in such a way that no one notices until it's too late for the good deed to be undone. The problem today is that the kind of changes this produces are incremental ones, when what we need

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in areas like health and income maintenance and civil service is radical reform. In a democratic society that kind of reform can come only from a people who have been informed and inspired by their president.

I had hoped, because of Carter's religious background, that he would have tried to arouse the idealism of the nation. But his speeches have made Sominex unnecessary for millions, and the existing programs that could tap latent idealism, like the Peace Corps and VISTA, are instead permitted to languish. The person Carter chose to head them, Sam Brown, is a man of great charm and intelligence. But he has displayed no sign of the driving determination that would be needed to rescue these programs from the sad state they were left in by the Republicans.

On the domestic side, this administration appears more and more like Grover Cleveland's, characterized by technical tinkering and modest reform, while the big problems underneath remain untouched.

On the foreign affairs side, the record may be brighter. The administration's concern for human rights, even though uneven in its application, is a beacon to people who live under tyranny, and the effort to achieve peace in the Middle East even at the risk of losing the Jewish vote back home has to be applauded for its courage, even if the intransigence of the PLO may doom it to failure.

Bobby Baker's new book reveals that it was the late Robert Kerr of Oklahoma, not LBJ, who was the Senate's leading crook in the fifties and early sixties. Kerr, a wealthy man,was corrupt not out of need but because, as Baker puts it, money was his god and he believed everything and everybody—including himself—should be for sale. . . . I wonder how Eugene McCarthy felt as he stood there at Hubert Humphrey's funeral. By lolling on the French Riviera with his financial backer, Howard Stein, while his admirers sat on their hands until it was too late in the 1968 campaign, McCarthy contributed more than any other Democrat to Humphrey's defeat and to the disastrous six years that followed.

Joseph Kraft recently devoted an entire column to berating Eastern Air Lines for giving him unreliable information about its flights on February 23 from Washington to New York and causing him to miss a ballet performance in New York that evening. He says he gave up and canceled his plans around 1 p.m. We'd like to save Mr. Kraft from such torment in the future by letting him know that there are trains to New York, too. . . . Incumbency is viewed by politicians as such an aid to victory at the polls that former Rep. Ken Hechler of West Virginia is running for his old House seat using the slogan "Reelect Congressman Ken Hechler." . . . Times Books, a subsidiary of *The New York Times*, advertises H. R. Haldeman's *The Ends of Power* with a picture of Nixon and Haldeman and these words: "These two men knew everything. Finally one tells the whole truth." Now the *Times* wouldn't try to get away with a statement like that in its editorial columns. Why should it be permissible in an ad?

The other night an announcer on WTOP, a commercial radio station in Washington, instead of saying, "This program was sponsored by," said "This program was funded in part by," the way they do on public television- which reminds me to ask, just what is the difference between the two? . . . Recently there was an article in *The Washington Star* that reported with seething indignation that Delegate Earl E. Bell of the Virginia General Assembly had introduced a number of bills benefiting auto dealers, even though he is an auto dealer himself. But as one read the story, it became clear that Bell had fully disclosed his interest in the legislation and abstained from voting

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on the bills. So what did he do wrong? The popularity of investigative journalism is producing a lot of one-dimensional stories in which situations that have only the potential of evil are presented as certainly evil. As a cure to this idiocy, we urge all editors to require their investigative reporters to explain in plain English, no later than the third paragraph of their stories, just what's bad about the situation they are exposing. In particular, terms like "conflict-of-interest" and "apparent abuse" should never be used without a full explanation of just how the public interest is being harmed.

As we all know by now, the whistle-blower always loses. The latest example is John Ryan, the executive who revealed that Southern Bell operated a political slush fund. Not only did Ryan lose his $64,000-a-year job with the phone company, but out of 16 executives originally indicted, he is the only one who will have to stand trial. . . . Remember how rich youngsters would go after scholarships just to prove they could get them? Now something similar is happening among wealthy women. Before women's lib, their volunteer work made it possible for many poor but useful organizations to survive. But now proving feminine worth means getting paid as much as men. So once more we have women adopting masculine values instead of changing them.

When I was hired to work for the Peace Corps in 1961, I asked for a salary of $75 a day, which was a high government salary in those days. I asked for that much not because I really needed the money, but because I wanted the status that I thought a salary like that would confer on me. They offered me $40 and I grabbed it, because I wanted to work for the Peace Corps. At *The Washington Monthly* I've been paid the same salary for the last nine years, meaning that with inflation I've had a cut in real earnings each year. This has never really been a sacrifice for me, because, again I have a job I like. There may be a message here. How many new jobs could we create if the people who have the interesting jobs would accept less money? One reason they won't is that money is a source of self-esteem. Another is the ardent and successful efforts of the various professional associations and white-collar unions. I believe strongly in unions, like the United Mine Workers and the United Auto Workers, that make us pay through the nose for the people who do our dirty work in the mines and on the assembly lines. But the white-collar unions have guaranteed high pay for jobs where high pay isn't necessary.

Corporate bureaucracies aren't so terribly different from their government counterparts, according to a recent study by Towers, Perrin, Forster & Crosby, a management consulting firm. Graef S. Crystal, the firm's vice president, writes this advice, based on the study, for corporate executives who want to get a raise:

"First, try convincing your boss to create another management level beneath you. If you have one level now and can do a bit of empire-building, that second level will get you 12 per cent more salary. And, of course, with that bigger organization you're now managing, you'll have to report higher up in the organization structure. If you can move up from the fourth level subordinate to the chief executive officer to the third level, there will be another seven percent raise waiting for you. . . . On the other hand, the findings from at least this group of executives suggest that you would be wasting your time by devoting too much effort to increasing your company's sales and profits. For a 15-percent increase in sales volume, the associated pay raise is only four per cent. And for a 15-percent increase in profits—the most difficult achievement of all—your efforts, and results, will be thoughtfully rewarded by a one-percent *decrease* in base pay."

—*Charles Peters*

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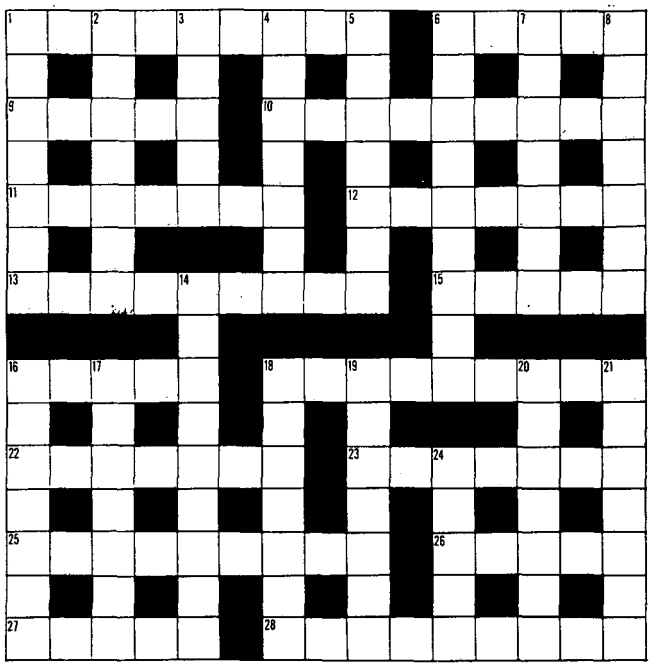
the political puzzle

by John Barclay



ACROSS

1&6. 28 Across, for example, sets coal price limit. (9,5)
9. Lefty scores 50 on the back nine. (5)
10. Thinks about cordiness. (9)
11. Beverage advertised in Appalachian *Times*. (7)
12. Tex dies, laid out to show what he did before. (7)
13. Most rigorous standard in gastric testing. (9)
15. Place for the laity to get organized. (5)
16. Alcoholic steps in to stop eroticism. (5)
18. Taken over wildly, tempered with start of pensions. (9)
22. Loan Eve to provide policy for beset agency. (2-5)
23. This First Lady turned out to be real one. (7)
25. Sixth bud dies strangely to break down further. (9)
26. Siren medley has come up. (5)
27. Exhortation to proscribe prominent Californian? (5)
28. Get raw tea somehow from Washington caper. (9)

DOWN

1. A card among friends where kings hang out. (7)
2. Real ink comes out thinner. (7)
3. The joint where nine players turn up. (5)
4. I see echos about Apache chief. (7)
5. Revised net lien to make it permissive. (7)
6. Adverse comment about 202 Roman trims. (9)
7. Muddled I retain sluggishness. (7)
8. Office work takes a good turn in idea Syd Ayres has. (4,3)
14. Official flower for automobile state? (9)
16. Infamous park in Washington. (7)
17. Provides double health care on the battlefield? (7)
18. Viper we arranged to see in advance. (7)
19. Did Len meet assembly for constituent. (7)
20. Found suit in a different country. (7)
21. Disturb crazy green ad. (7)
24. It's a mistake to put tracks in caviar rising. (5)

The numbers indicate the number of letters and words, e. g. (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e. g. USA, are treated as one word. Answers to last month's puzzle are on page 44.

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Why The Rich Don't Care

by Sophy Burnham

We've written often in recent months about the kinds of people the meritocratic system propels to the top of our society, and how they often function as if they were a hereditary upper class. But there's also a real *hereditary upper class in this country—small, out of the way, usually ignored, but important because it still controls a lot of land and a lot of money. The following article is a look at that class and its role in American life.*

Rich people live in a very self-enclosed world. They can seldom be accurately perceived, and neither can they see out well. This accounts for the curious absence in the perceptions of the very rich: Nelson Rockefeller, telling an audience that the tax burden falls "on the average person, like you and me."

George F. Will, the columnist, collects these examples of the failure, as he calls it, of the "imaginative sympathy." In the 1920s, a Beacon Hill dowager, learning that many Boston houses lacked indoor plumbing, exclaimed: "You would think the people who live in them would have found out before moving in." In the 1930s, an industrialist declared it didn't pay to run radio ads on Sundays "because everyone's playing polo." Remarks like that are still made: "Oh, you won't have any trouble parking on Saturday," says the East Side New Yorker. "Everyone will be out of town for the weekend."

They are not joking, these people. Nor callous. Neither do their remarks arise from affectation, but simply from the isolation of their rank.

In May 1977, *The Washington Post* ran a remarkable interview by Sally Quinn with C. Z. Guest, wife of Winston F. C. Guest, who is the grandson of Henry Phipps. Guest's father was first cousin to Winston Churchill, and Guest himself was once one of the top-ranking polo players in the world. His wife, C. Z., now 57, was promoting a book, *First Gardens*, and, for the first time in her life (a string of triumphs: competition riding at Madison Square Garden Horse Show, Best Dressed Woman in the World, the Fashion Hall of Fame), she ran into situations and people beyond the scope of her normal experience.

"I'm not ashamed of the way I live," she told Sally Quinn. "Look at the jobs I've given people. If you have money and servants, then you're helping somebody. If rich people didn't spend money, the country would be in much worse shape than it is today. If you have money, then you give people pleasure. I wish I had more money. I'd spend more.

"Perhaps" she told Sally Quinn, "more is expected of those of us who are better educated and come from more affluent families." Listen. Listen to what she is saying: it is the Gregorian chant of the propertied class, learned by rote and repeated at the nurse's knee. It is the justification and reaffirmation for all wealth. "More is expected of us," she said. "Because we have learned courage and learned

Sophy Burnham is a Washington writer. This article is adapted from her book, The Landed Gentry, *to be published in May by G. P. Putnam's.* *©1978 by Sophy Burnham.*

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what's right and what's wrong. Look at Nelson Rockefeller. He did the right thing at Attica. And he never would have been able to handle it so beautifully if he hadn't been brought up the way he was. It means so much. If there had been people of his background, people who had been brought up the way we were, in Nixon's cabinet, if Nixon had had the proper breeding, Watergate would never have happened. And who is the one person who came out all right? Elliot Richardson, of course. Because he was from Boston, he had been raised properly, he knew what to do, knew what was right and what was wrong."

The Reins of Command

Sally Quinn did not ask her about Leon Jaworski. Or Judge Sirica, or any of the hundreds of others who assisted in the untangling of the Watergate scandal without the advantage of breeding. Nor did she bring up a phenomenon that I have observed: that it is often impossible for those of breeding to take the reins of command, for the care and training of this class prevent it. No matter. The point is merely that the rich–no, all of us–are blind. We all see through a screen of class.

In part, our confusion over class may stem from our reluctance to recognize the existence of a class system in America at all. We are embarrassed by the term. We substitute democratic euphemisms, like "socioeconomic stratifications" or "upper-middle-income group," terms that churn the murky waters further. Then, too, our rationalism blocks our view, our necessity to systematize and categorize our lives: it is a national obsession, as if a thing does not exist unless we catalog it. The question is: who belongs to the upper class? We cannot find an answer, and we respond instead with who is rich.

The distinction between wealth and income is important. Income is taxed and taxable without deductions. It is not money that can be borrowed against at a bank or sold and reinvested for higher yield. "Everybody except the infirm or disabled has the capacity to derive income from labor," says Peter Barnes, formerly with *The New Republic,* "but to derive income from wealth you must first own something."

The 1970 census, based on incomes for 1969, was a long time ago. At that time, 390,708 of our 70 million households had incomes of $50,000 or more. But $50,000 in income includes many people with no property and no real wealth, salaried and professional people, executives who can be called "well-off," perhaps, but hardly "rich." On the other hand, to illustrate wealth, 13,457 households reported incomes over $50,000 though none of their members worked.

On wealth itself, however, as on land ownership, no reliable information exists. Among our rights to privacy, this one–what we own– is paramount. Neither the Census Bureau nor the Internal Revenue Service has ever asked people to declare their holdings, and what you own is no one's business unless you run for public office or die.

The work of Professor James D. Smith of Pennsylvania State University is, therefore, of much interest, for he has analyzed estate records to determine, at the moment of death, how much property a certain segment of the population has. Even so, his method is filled with pitfalls, not the least of which is that his figures date from 1969.

According to Smith, about 50,000 Americans held stock worth $1 million in 1969; 5,000 held stock worth more than $5 million. Together, these 55,000 people owned 18 per cent of the country's personally held corporate stock. America's rich, he concludes, consist of 50,000 to 60,000 people, representing perhaps 20,000 households. Many are retired. The largest group is made up of local property owners, the proprietors of the big department store in a small city, the owners of the newspapers,

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banks, and brokerage houses, the real estate developers, and the landlords of agriculture.

Distribution of wealth in the United States has consistently been less equitable than the distribution of income. According to one economist, in 1810, the top one per cent of families owned 21 per cent of the American wealth. A century later, in 1915, the U.S. Commission on Industrial Relations determined that "the Rich," two per cent of the people, owned 35 per cent of the wealth. Today, the rich, the top one per cent of the population, or some 600,000 households, control 25 per cent of all personal and financial assets, according to Professor Smith. "Except during the Depression and World War II," he writes, "the relative concentration of wealth has stayed the same or worsened."

A Different Tune

It is important to recognize that the propertied class does not see itself as rich. I have never met any rich person who ever read or discussed the kinds of figures we have just looked at, or has even been much interested in them. I have never heard a dinner table conversation in this set turn to a serious discussion of the redistribution of wealth. Instead, you hear a different tune.

"Do you know what a *subway* driver gets today? A subway driver. I don't see how we can afford to live. A *subway* driver gets $13,000 starting salary. I wish *I* got $13,000 a year."

"And a policeman in New York," breaks in another, "makes $15,000 starting salary. Can you imagine? He goes in at the age of 20 with a high-school diploma, and at 40 he can begin a whole new career, with a pension for life."

"What's the world coming to?"

"But how can we afford it? Who's going to pay for that?" Members of the propertied class are not selfish, exactly. It's just that they think they have a monopoly on dividends. They do not stop to consider that $13,000 in income for a subway driver is just that—income, taxed and taxable without deductions. All they see is their taxes going for the redistribution of wealth.

You should not conclude, however, that the propertied class does not discuss property. The subject is endlessly fascinating, and it crops up all the time. In land prices. In stock market investments. In the necessity for a nonmaterialistic view of the world. There are games to play, like "Do You Know" and "Who Are You?" But property is at the root of it all, and the reinforcement of shared values.

> The essence of the propertied class is an avoidance of the outside world, a shying-off from pain. Therefore the necessity for privacy among the aristocracy, who build, with their private islands, private estates, private schools and servants and clubs, walls of privilege that serve as much to imprison as to protect them.

Here is a conversation overheard on the Fisher's Island tennis courts one lovely summer's day. Two women were playing side by side on adjacent courts, each against her own partner. They called to each other across their individual games. Pock. . . pock. . . the tennis balls floated across the two nets. Nina was tall and blond, and Jinx, short, stocky, and dark. It was hard to know who won the game.

Nina: Are you here for Ladies Day? (pock . . . pock)

Jinx: We were. But the Symingtons came over, looking for some children to play with their grandchildren. So we arrived too late for that.

Nina: Who? (pock . . . pock)

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Jinx: The Fife Symingtons. From Baltimore. They live up the road from us.

Nina: Oh. Yes. (pock . . . pock)

Jinx won this round. She has just established that she is on speaking terms with the Symingtons. Mrs. Symington is a granddaughter of Henry Frick, and the Symingtons are well known in horse circles as well as in politics.

Nina: But they don't live near you. Don't they have Barley Field Cove?

Jinx: Yes. They bought it about two years ago. (pock . . . pock) I don't even know anything about them really. We've never even seen them really.

Nina: (persisting) Well, that's not near you. Don't you live on XYZ Road?

Jinx: We've just bought the old house on the point. You know, that big one with the gables. . . (pock. . .) and it seems that they're always going out of their drive as we're going in or out of ours, so we see them all the time.

Nina: Oh. (pock. . . pock)

Jinx: We don't know them. (pock . . . pock) My serve. We're friends of the Symingtons in Lexington, though. They're real good friends of some friends of ours in the horse business there. The Stanley Petters.

Nina: (with interest) Hi Petter?

Jinx: Oh, do you know him? My husband was at school with him. Harry's going to Saratoga next week with them. (pock. . . pock)

Nina: The Saratoga Horse Sales? Freddy may be going to that. I haven't heard yet. (pock. . . pock)

A draw. Both ladies have established that their husbands are attending the most fashionable and social horse sales in the country, where an untried filly may bring $500,000. Jinx now makes it clear that her husband does not go for financial interests.

Jinx: Harry's just interested in horses. (pock. . .) He's a foxhunter.

In other words, Harry is a gentleman of leisure, a fact to be appreciated by Nina, whose husband is a renowned steeplechaser and foxhunter.

Nina: Oh. How nice. (pock. . . pock) Where do you live in the winter?

Jinx: (Naming a community) in the hunt country.

Nina: How nice.

Oh, I have seen such mutilation of personality in this group as hardly seems possible, when all God-given bounty is bestowed thereon. Each class drags chains behind, and those of the aristocracy, though forged in silver, pull just as hard. Privilege exerts a psychological tug: the weight of fear, possessiveness, greed, all universal qualities, yes, but add one more. The essence of the propertied class is an avoidance of the outside world, a shying-off from pain. Therefore the necessity for privacy among the aristocracy, who build, with their private islands, private estates, private schools and servants and clubs, walls of privilege that serve as much to imprison as to protect them.

The Toss of Their Heads

The first thing you notice about the gentry is a sense of assurance. Even the *children* have it, a fact that a foreign service officer once brought to my attention. He had repeatedly observed it at State Department gatherings. The children of the gentry had only to enter a room, and there was something in their manner, their carriage, the toss of their heads, their glance around the room (lilliputian imitations of their parents) that carried an expectation of success. The other children, he noticed, were attracted to them as plants to light. They had that air of ease, that unambitious expectation of being well received.

"Why is it?" asked my foreign service officer about the little children. "Where do they learn it?"

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But it is not learned. It is acquired by intangible transpiration, a part of inheritance that begins at birth. It begins at the moment that the private doctor places the newborn babe in the hands of a nurse, who carries him to his own special plastic crib in the private hospital. It continues for the five or six days of his mother's lying-in. Even in the baby ward, that infant will receive a special attention, though no nurse would admit it. Attendance is not due to personal attraction. Certainly, the children of the gentry are no handsomer than others, and often they are marked by remarkable lack of looks, if you consider the receding chin and pale pop eyes—no beauty except to his mother, perhaps, who probably thinks him fine enough, just like his Daddy. No, it is not for his personal charm that his cry produces a glance just a trace quicker than that for the other babies or a thump of his bottom at diaper-changing time, and a satisfied "There." It is because of who he is.

Put the equation another way: watch his grandmother come to visit, a handsome woman with great, hooded eyes and a beak of a nose and a straight back, who will trounce down the hall in her tweeds, a fine leather purse over one arm, her gloves, her hat (properly dressed, that is to say, lest she be taken for riffraff); and when she asks where the babies are kept, her voice holds not a question, but an ineffable demand.

It is in response to this demand that people jump. The expectation of success.

"Second window on your left."

And so the babe, with his first breath, is sucking in the investiture of his power and privilege, the inheritance of established wealth.

Very, very occasionally you read about the upbringing of someone with money. C.Z. Guest, for example, who was raised and who raised her own children with nannies, mam'zells, and duennas. "I had a governess for my children," she told *The Washington*

Tim Carlson

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Post. "I think children are better brought up with a governess. Children need someone to discipline them. And after all, Winston didn't marry me to be a maid. Besides, I couldn't go around with Winston, traveling, doing all the things he wants me to do, if I'd had to stay home and take care of the children. . . . That doesn't mean I never saw them. Of course, I saw them. I went fox hunting with them. . . . "

Completely Understood

The final step in the care and training of the propertied class occurs in the boarding school, a fact that is so completely understood all over the country that parents from Lake Forest, Illinois, or Pebble Beach, California, automatically send their children East to school.

The good boarding schools are concentrated on the East Coast. For girls there are Madeira and Foxcroft in Virginia, Garrison Forest and St. Timothy's in Maryland, Rosemary Hall, Miss Porter's or Ethel Walker's in New England. The boys attend Choate and St. Paul's, Deerfield, Andover, Groton, Exeter, St. Mark's, Kent, Middlesex. . . . In the 1950s they were known in composite as St. Grottlesex.

The boarding school I attended, Foxcroft, typifies most such institutions. Rep. Millicent Fenwick went to Foxcroft, and the Rockefellers and Mellons, the McCormicks of Illinois, and Anne Armstrong, who was a Legendre before she married into one branch of the King Ranch family and became the chairperson of the Republican party during Nixon's term and finally ambassador to the Court of St. James.

The first thing that strikes the visitor is the extraordinary richness of Foxcroft, visible in the tennis courts, gardens, stables, orchards, and servants, in the boxwood walks and 18th-century brick house, in the classrooms, art rooms, photo labs, and dorms. One alumna donated a $500,000 stable and indoor riding ring to the school in the 1960s—to the annoyance of other alumnae, who prided themselves on riding outdoors even in the drenching rain. The stable has paneled tack rooms, and in its courtyard peacocks strut and spread their gorgeous tails.

We accepted the wealth as natural. We didn't even see it. Just as we accepted the grooms who brought our horses to us, already saddled and bridled, and the gardeners trimming the formal walks, clipping the hedges, and mowing the grass. We did not speak when passing them, but grunted, eyes grounded in pride or shyness, as they touched their caps.

Only of the Right Kind

Social Power is the ability of a class as a unit to maintain itself. Social Power enfolds and promotes its members on the one hand, and on the other, it excludes or downright kills. Social Power is rooted in money, but only of the right kind. Yet, because it is evasive, visible only in the reflection of its acts, we easily lose sight of or misread its strength. Or we arrogantly underestimate it, contemptuous that the sword of Social Power is wielded by women, our Mnemosyne, who pass down cultural values generation to generation. Don't be fooled. Military, political, or economic power bows to social force.

Political power bends, likewise, to its call. Jake L. Arvey, leader of the Cook County Democratic organization in Chicago, the man who groomed and developed Adlai Stevenson for political office, once defined politics as "the art of putting people under obligation to you." At its base level, this is patronage. When the King Ranch maintains and protects its kinenos, it commits, in a broad sense, a political act. If the local gentry contribute to the election of the local sheriff, they engage in political action, as do Douglas Dillon and his wife when each contributes $1,000 to the campaign of their friend Millicent Fenwick, Republican of New Jersey.

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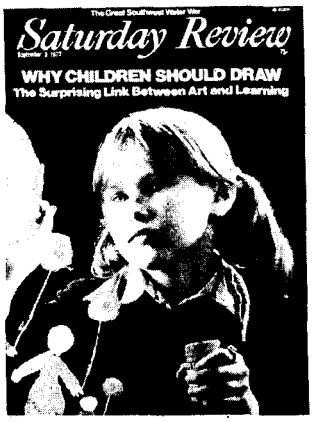

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- "The New Urban Pioneers." A look at the recent phenomenon of "sweat equity" and the short and long-term prospects for homesteading as one cure for cleaning up the slums.
- "Why Children Should Draw." For the past decade, the arts have been among the first victims of educational budget cutting. But new evidence indicates that the arts stimulate natural curiosity and—perhaps literally—*expand brain capacity.* Some researchers now say the absence of arts programs can retard brain development in children.

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When the Rockefellers recommend a position for their colleague and former employee Henry Kissinger or suggest for the head of the National Endowment for the Arts their competent associate Nancy Hanks, they deliver patronage, a political act. When the landowners of California determine that votes on water rights shall be settled according to the size of each individual's acreage, they flex their political muscle.

Among the propertied classes, the exercise of political power is accomplished with subtlety, as befits a group whose greatest need is the preservation of its place. Often political power is expressed as a negative quantity, like a minus digit in mathematics, which takes the shape not of action but of blocking action to protect from poaching and intrusion. Often it's exercised so quietly, so discreetly, at the local country club or over a Sunday game of tennis or on the terrace at Royal Orchard, that it is hard for anyone to know—especially the principals—that a political act has taken place. This is especially true when the act is negative, an act of omission.

An example occurred in 1973 in the Valley of northern Maryland when Clark MacKenzie announced his plans to build a 20-acre shopping center and 1,000 houses (or "homes," as he called them) on his 800-acre place.

Clark MacKenzie, a developer, was in his mid-thirties at the time. He got an architect, who drew up plans for schools and a shopping island, housing and sewage—a mini-city that he would build in the midst of the horse farms.

The Valley was incensed. A meeting was held at the Butler Fire House that drew 150 or 200 people, depending on whom you believe, and resulted in the formation of the Central Baltimore County Planning Association. To observers of social forms, the formation of this association was itself remarkable, given the general belief of the rich that almost any concerted action can lead to communism.

MacKenzie was ostracized. His children were not invited to play with other children at school. His wife was dropped from the car pool, and at church the family sat isolated in the air bubble of its pew. And after the service, when the members of the congregation gather in the churchyard to greet each other cordially and invite one another for a drink or perhaps a round of golf—at that time, which is surely one of the pleasantest of a summer's morning, the MacKenzies were. . . invisible. People turned their backs.

> The higher one rises on the social scale, the less controversy one can stand, the less publicity, the less mud and dirt of life's unpleasantness. Therefore the fewer decisions one cares to make and, therefore, one's preference for the rarefied world of art, where a decision has less consequences than educating someone's children or warding off death.

"Well, it's not as if he *needed* the money," said one Valley resident.

"It's inexcusable," said another. "One doesn't *do* that sort of thing."

The family underwent, said Clark MacKenzie, a "continuing personal harrassment" for nearly ten months.

Eventually, MacKenzie called off the plans for a development. He put the property up for sale. Some people say the decision not to develop was based on economics rather than social factors, but Clark MacKenzie, when I tried to reach him, refused to take any telephone calls or to talk about the matter at all.

Social Power is evidenced in the lawyer's son who is not booked by the police when he has an auto accident; or the zoning case, where the air-tight lower court decision is overturned, without explanation, at the appellate level after the judges—landowners themselves—make an unauthorized and illegal personal inspection of the

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site. Social Power influences business decisions, which take place in old-line clubs that exclude women, mavericks, Jews, outsiders, blacks. The gentry's political power may be deduced from the Maryland law that permits a country club to take a tax deduction for the "open spaces" of its private golf course—so long as the membership is not "restricted"!

How elusive is Social Power! How it abhors publicity! How it scutters quick as a cockroach under the kitchen sink! You catch the shadow of its action, like a movement glimpsed from the corner of your eye—and it's gone as you turn your head. From its actions, you guess at its presence.

You look at the voluntary boards of our charitable institutions: of museums, hospitals, schools, and universities, of garden clubs and associations dedicated to historical preservation or conservation of land. And whom do you find? The cream of the propertied class. They exercise the prerogatives of the very old, very solid, and very respectable established wealth. To this extent, their values and behavior affect us all.

The institutions themselves betray our reverence for social caste. To sit on the board of a cultural institution (an art museum) reveals the trustee to be of a higher rank than if he sits on the board of an educational institution (a university), which, in turn, reveals and bestows more clout than an institution of health (a hospital). To serve on the board of any of these three bestows more prestige and reveals it more than to serve on the board of the Police Athletic League or the YMCA. There is a simple explanation. The higher one rises on the social scale, the less controversy one can stand, the less publicity, the less mud and dirt of life's unpleasantness. Therefore, the fewer decisions one cares to make and, therefore, one's preference for the rarefied world of art, where a decision has less consequences than educating someone's children or warding off death.

No Farther Than the Secretary

It is no accident that no land census has ever been taken. It is no accident that the Department of Agriculture collects information only on farm operators and almost none on owners of land. The staff of the Economic Research Service is well aware of the deficiency, has made repeated budget requests for ownership studies, and discovered every time that these requests go no farther than the Secretary of Agriculture. They are not even forwarded as a budget line for the consideration of Congress.

The matter of the Westlands Water District still continues, with Congress winding itself up in rhetorical promulgations on the need for the redistribution of our land, and with the situation apparently quite safely stable and set. President Carter comes out softly against redistribution, and one assistant secretary of agriculture lobbies in Congress quietly "as a personal citizen" to keep the thousands of illegal acres in that rich farm valley that his family owns.

By the end of the 19th century all of the agricultural land in the country was in private hands. Today, three fifths of the land mass of the United States, 1.3 billion acres, is privately owned, and the quantity of land in farms has remained relatively constant for the last 30 years. It is not our farmland that has declined, but the number of "operators" who own their land: 3.9 million in 1945-50, 2.4 million in 1969, less than 2.2 million in 1974. Therefore we deduce the increasing concentration of land ownership and the trend to landlordship.

And is this new? A change of any sort? What we remark on is the constancy of the ratio between rich and poor. And the hereditary pull. And what we remark on is the need for a land census, a detailed study of land ownership and land needs; and we remark on the absence of such studies. ■

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Who's Who in the Carter Administration

Who is the most creative mind on a generally uncreative White House staff? As someone who is always coming up with new ideas about the goals of governnment, not just the tactics, **Brzezinski** is unique among the senior advisors. The ideas aren't always good, but at least he's tryng. Who combines ability and concern to the highest degree? **Bert Carp** (although he is said to have been the leading misleader of Carter in the welfare reform story recounted on page 6 of this issue), **Si Lazarus**, **Orin Kramer**, and **David Rubenstein** on the domestic side and **Tom Thornton** of Brzezinski's staff. Who is the most conventional in his thinking? **Stu Eizenstat**, while a decent and sensible man, is the clear winner in this category. One good thing about the White House gang is that they don't invent crises as previous administrations have done.

Appointments since our last issue:

WHITE HOUSE

Office of Management and Budget

Director of the Task Force on Reorganizing Federal Food and Nutrition Programs—Charles French has served as assistant director of the National Academy of Sciences World Food and Nutrition Study. He has also been a research coordinator at the Agency for International Development.

Head, Task Force on the Maine Indians Land Dispute—Eliot R. Cutler was associate director of the Office of Management and Budget for natural resources, energy, and science and is a native of Bangor, Maine.

COMMERCE

Assistant Administrator for Policy and Planning of the National Oceanographic and Atmospheric Administration—James P. Walsh was general counsel of the Senate Commerce, Science, and Transportation Committee. Walsh is also director of the National Ocean Policy Study and member of the State Department's Law of the Sea Advisory Commission.

Assistant Administrator for Policy and Planning of the National Oceanic and Atmospheric Administration—Paul L. Leventhal has just finished a book on nuclear proliferation that will be published this spring. Previously Leventhal has been a special counsel to the Senate Governmental Affairs Committee and a *National Journal* staff correspondent.

Deputy Assistant Secretary for Administrative and Legislative Policy of the Industry and Trade Administration—Lisbeth K. Godley was an associate director of the White House personnel office. She is married to Gene E. Godley, assistant secretary of the Treasury for legislative affairs.

Assistant General Counsel to the Industry and Trade Administration—Richard P. Schepard was a partner in the Paris law office of Coudert Brothers.

Commissioner of Patents and Trademarks—Donald Banner was a general patent counsel with Borg-Warner Corp. and is president-elect of the American Patent Law Association and vice president of the International Patent and Trademark Association.

ENERGY

General Counsel—Lynn R. Coleman comes from John Connally's Houston law firm, Vinson & Elkins, which has represented oil and gas companies.

Controller—Jerome Miles was previously a director of the Office of Management and Finance at the Agriculture Department. He is replacing Merwyn C. Greer, who resigned in November to join the staff of the House Appropriations Subcommittee on Public Works.

HUD

Federal Insurance Administrator—Gloria Jimenez was deputy commissioner of the North Carolina Department of Insurance and a district aide to Rep. Richard L. Ottinger (D-N.Y.).

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INTERIOR

Director of the U.S. Geological Survey—Henry W. Menard has been a geology professor at the Scripps Institute of Oceanography in La Jolla, California. He replaces Vincent McKelvey, the subject of an article beginning on page 57 of this issue.

Special Assistant for Alaskan Affairs—Irene S. Rowan was president of Kish Tu Inc., a research and consulting firm in Alaska.

STATE

Undersecretary of State for Political Affairs—David D. Newsom is Ambassador to the Philippines. His 31-year career with the Foreign Service centered mainly in Africa and the Middle East until he became Ambassador to Indonesia in 1974. (Probable)

Deputy U.S. Representative to the International Atomic Energy Agency—Roger Kirk was deputy director of the State Department's Bureau of Intelligence and Research.

Ambassador to Bangladesh—David T. Schneider has been deputy chief of mission in New Delhi.

Ambassador to Brazil—Robert M. Sayre was inspector general of the Foreign Service.

Ambassador to Burundi—Thomas J. Corcoran has formerly been the deputy chief of mission in Laos.

Ambassador to Cyprus—Galen L. Stone has been a deputy U.S. representative to the International Atomic Energy Agency.

Ambassador to Gabon, Sao Tome, and to Principe—Arthur T. Tienken was deputy chief of mission in Ethiopia.

TRANSPORTATION

Director of Office of Airport Programs of the Federal Aviation Administration—Robert J. Aaronson had been the aviation director for Maryland.

Federal Railroad Administration

Director of the Northeast Corridor Project—David S. Gedney had headed the project's Office of Engineering. He replaces Kenneth T. Sawyer, a holdover from the Ford administration, who was recently asked to resign.

TREASURY

Deputy International Tax Counsel—John R. Raedel was a member of the staff of the Office of the International Tax Counsel from 1975 to the present. He has previously been a manager in the New York office of Touche Ross & Co.

Director, Office of International Tax Affairs—David Rosenbloom had been a special assistant to the deputy assistant secretary for tax policy. Previously he was a partner in the Washington law firm Caplin & Drysdale.

AGENCIES AND COMMISSIONS

Advisory Council on Historic Preservation

Member—Calvin Carter, a second cousin of the President, heads an insurance firm in Tampa, Florida.

Commission on Civil Rights

Acting Staff Director—Louis B. Nunez was deputy director of the commission.

Federal Communications Commission

Assistant General Counsel for Legislation—Samuel Cooper III was an associate with Cohn & Marks, a Washington law firm. Cooper has also been assistant general counsel of the National Cable Television Association.

Legislative Assistant—Booker T. Wade, Jr. was an attorney-advisor in the Office of the General Counsel of the Transportation Department. He will be assisting **Tyrone Brown.**

Legislative Assistant—Neal M. Goldberg was an associate with Wilmer, Cutler and Pickering. He will also be serving commission member Brown.

Federal Trade Commission

Deputy Assistant General Counsel for Legislation and Congressional Liaison—Mark L.

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Rosenberg has been counsel to the House Interstate and Foreign Commerce Subcommittee on Oversight and Investigations.

International Communication Agency

Director—John E. Reinhardt had been the director of the United States Information Agency (USIA), which was absorbed into the new ICA.

Deputy Director—Charles W. Bray III had been the deputy director of the now defunct USIA.

National Endowment for the Arts

Director of the Dance Program—Rhoda Grauer had been the executive director of the Twyla Tharp Dance Foundation.

Federal Council on the Arts and Humanities Honorary Chairman—Joan Mondale, wife of the vice-president, has been chosen. The deputy chairman will be Peter Kyros, former congressman from Maine.

Overseas Private Investment Corporation

Member—James M. Friedman, a Cleveland lawyer, served as executive counsel to former Governor John J. Gilligan of Ohio. He was also chairman of the Ohio Civil Rights Commission from 1972-74.

Member—Richard R. Swann is an attorney in Orlando, Florida who has served as special counselor to the state treasurer and insurance commissioner.

Post Office

Postmaster General—William Bolger is a career postal worker who has been Deputy Postmaster General and a member of the Postal Service Board of Governors since 1975.

Pension Benefit Guaranty Corp.

Member—Kenneth L. Houck was assistant general counsel of Bethlehem Steel Corporation until his retirement in 1974.

Member—Robert Tilove has been senior vice president and consultant on employee benefit plans at the Martin E. Segal Company, a New York consulting and actuarial firm.

Member—Carol W. Trencher was a partner in the New York law firm of Dewey, Ballantine, Bushby, Palmer & Wood.

Smithsonian Institution

Member of the Board of Regents—Anne L. Armstrong has been an Ambassador to Great Britain and a Ford White House counselor.

RESIGNATIONS

White House

Deputy Assistant to the President for Policy Analysis—Mark A. Siegel, who was Carter's liaison to the Jewish community, says he cannot support a Mid-East policy with which he doesn't agree and that he had no substantive part in making.

Speechwriter for Rosalynn Carter—Coates Redmon has resigned to write a book on the Peace Corps.

State

Undersecretary of State for Political Affairs —Philip C. Habib is resigning due to ill health. It is expected that he will take a post with Stanford University as diplomatic lecturer in residence.

Special Assistant to the Undersecretary for Economic Affairs—Joan R. Braden was a Ford administration holdover.

Consumer Product Safety Commission

Chairman—S. John Byington has resigned effective June 30, four months before his term expires.

Commission on Civil Rights

Staff Director—John A. Buggs has resigned for health reasons.

National Transportation Safety Board Member and Vice Chairman—Kay Bailey has returned to her home in Texas.

Post Office

Postmaster General—Benjamin Bailar will become executive vice president of the U.S. Gypsum Co. in Chicago.

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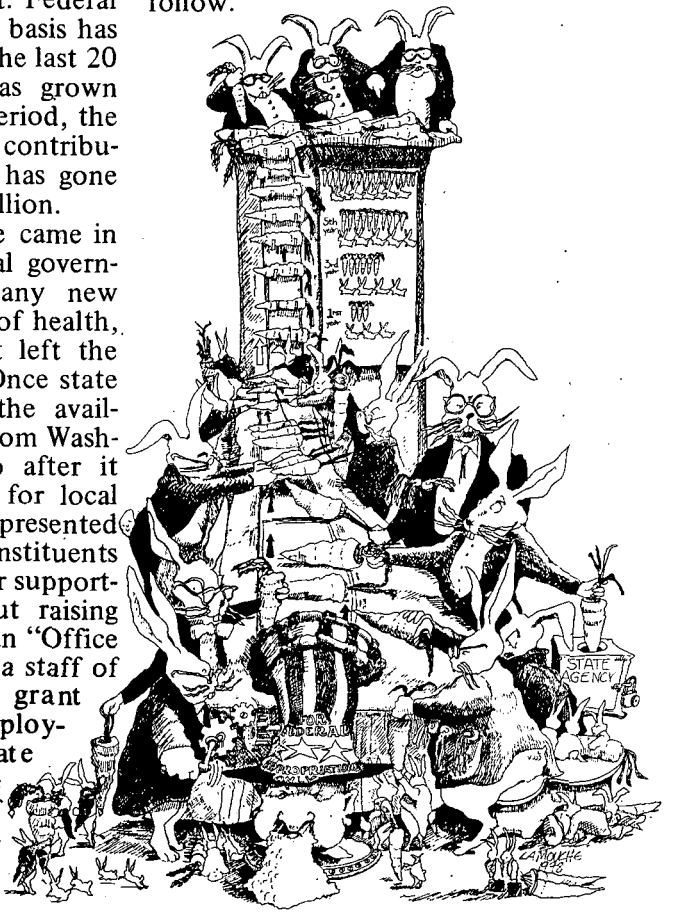
The Real Big Government is in the States

The federal government has about the same number of civilian employees today as it had at the end of World War II, but the federal budget now is more than nine times what it was then. There are a number of reasons why the cost has gone up so much without an increase in employees—higher salaries, more work contracted out—but perhaps the most important is a tremendous, and largely unremarked upon, growth in the size and expense of state government. Federal employment on a per-capita basis has grown only 1.9 per cent in the last 20 years; state employment has grown 182 per cent. In the same period, the federal government's annual contribution to the states' revenues has gone from $3.6 billion to $42.2 billion.

The bulk of this increase came in the 1960s, when the federal government took on a great many new duties—mostly in the areas of health, education, and welfare—but left the states to implement them. Once state governments woke up to the availability of this new money from Washington, they started to go after it indiscriminately. After all, for local politicians federal money represented a way to provide their constituents with more services—and their supporters with more jobs—without raising taxes. Soon every state had an "Office of Federal Relations," with a staff of experienced writers of grant applications. As state employment grew, so did state employee's unions (the American Federation of State, County, and Municipal Employees went from 77,000 members in 1947 to about 750,000 today), and they lobbied effectively in Washington for more money for states to administer. To the extent that we've had a big-government boom in the past two or three decades, it has been on the state, not the federal, level.

We decided to take a closer look at this phenomenon by charting its progress in two states, one rich and the other relatively poor—Maryland and West Virginia. Reports on them follow.



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A Report from Maryland

by Barry C. Rascovar and Thomas B. Edsall

For the past decade, the state of Maryland has grown impressively in population and wealth, but its government has grown even faster. Since 1968, the state budget has quadrupled, from less than $1 billion to more than $4 billion. Despite a much-heralded reorganization program that was supposed to save money and make the government more efficient, the size of the "streamlined" bureaucracy has more than doubled in ten years, from 33,552 in 1968 to 70,147 today. In the last 20 years, state employment has risen by 350 per cent. Its growth rate from 1970 to 1975 was seven per cent per year.

What's amazing about all these increases is that they have been accomplished at little political cost to Maryland's governors—indeed, as the state government has grown, its growth has made each governor more popular. As demands for more services from the state government and for more state jobs have been made, there has always been the revenue to meet them. In a year when Jimmy Carter is facing another $60-billion deficit, Maryland's acting governor, Blair Lee III, is in the enviable position of deciding how to spend a budget surplus of almost $100 million. This is an election year for Lee, and he plans to cut the state income tax and the state property tax, increase aid to education and welfare grants, and raise the pay and benefits of state employees, whose numbers are growing at 18 times the federal rate.

There are a number of reasons why Maryland's government has grown so big, besides the obvious one, the increased availability of federal funds for state programs. The tax base has grown along with the population—during the sixties, the affluent suburbs of Baltimore and Washington added a lot of money to the state tax rolls. State sales and income taxes, put in place earlier, have been handsome income-producers for Maryland. A new state lottery now brings in $106 million a year. And as the growing middle class has organized and lobbied for its concerns—mostly in the social services area—the government has taken on new tasks in response.

Thus the effective lobbying of the elderly has produced a state office of aging, with a staff of 109 and an annual budget of $10 million. Thus while 20 years ago the state had only a commission to deal with alcoholism, it now has several hundred professionals working on the problem and special programs to deal with the alcoholics among the state workers themselves.

In the legal community, the state's largesse has led to numerous opportunities for both young lawyers and for more established members of the bar. The state created a public defender system with 263 jobs and a budget of $4.2 million. An enlarged, unified court system has grown from 229 positions in 1968 to 1,157 this year. The attorney general's office has grown from a staff of 38 ten years ago to 218 positions this year. In all three cases, the moves by the state served social purposes as well as creating ideal patronage spots: the public defender system and the attorney general's office for aspiring young lawyers and the enlarged court system as a place to put the worn out to pasture.

Barry C. Rascovar and Thomas B. Edsall are members of the Washington bureau of The Baltimore Sun.

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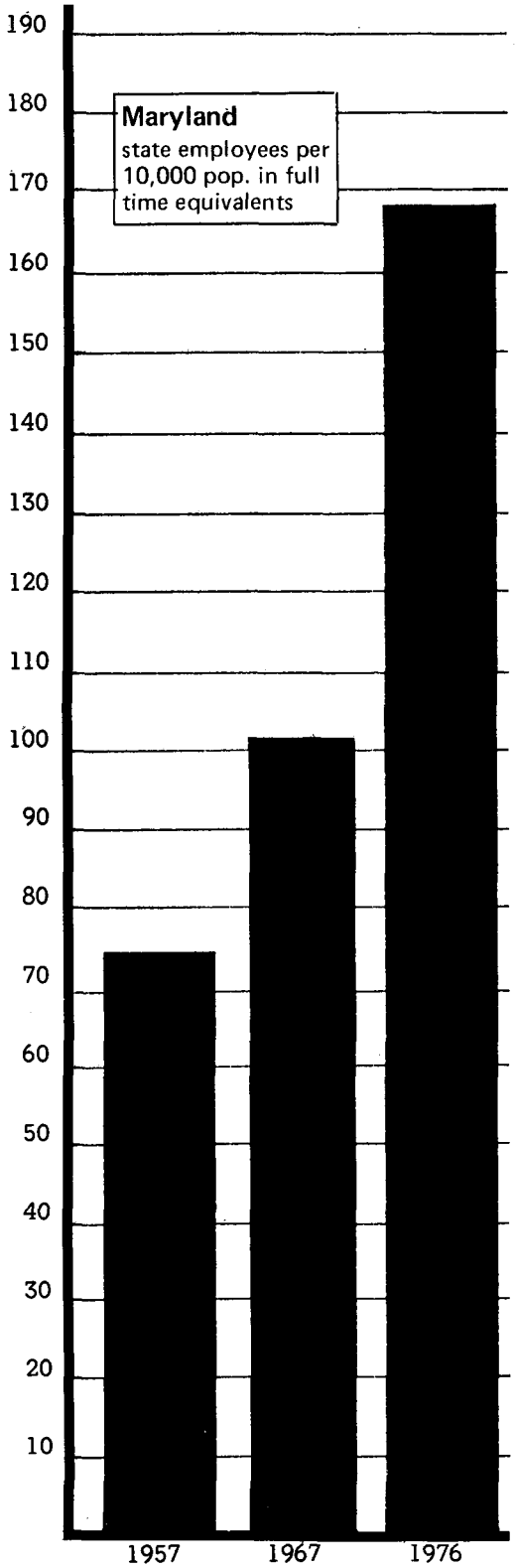

Entire agencies have been created over the past two decades to attack problems that were not present in the public consciousness until recently, such as air and water pollution controls. In addition, it has taken far more planners and architects and engineers to meet new federal standards. "Who ever heard of equal employment opportunity in the 1950s?" says Henry Bosz, the state's veteran personnel secretary. "Now every agency has its own equal employment officer."

This state-controlled munificence began in large part nearly 30 years ago under the administration of William Preston Lane Jr., the man who effectively established a healthy base of revenues and became the only politician to pay the elective price for it. He won approval of the state sales tax, which produced his defeat in 1950—"pennies for Lane" was his opponent's slogan. This became a source of revenue that carried Lane's successors through a dream world of fiscal solvency for the 27 ensuing years. Since 1950, the year Lane lost to Theodore R. McKeldin, no sitting governor has been defeated. With a steadily growing and more affluent population, the sales tax—which has been raised gradually over the years to five per cent—will produce $620 million this year.

The only other major move to alter the state's tax structures came when Spiro Agnew was just beginning his tenure in the governor's mansion and did not have to worry about running for reelection. After two years of wrangling, Agnew got the legislature to graduate the state income tax. That has proved a prescient decision, since it has allowed the state to reap full benefit from its growing number of affluent citizens (federal employees, with their ever-expanding salaries, account for a lot of the affluence). This year, the personal income tax will bring in $885 million and is expected to increase next year by eight per cent.

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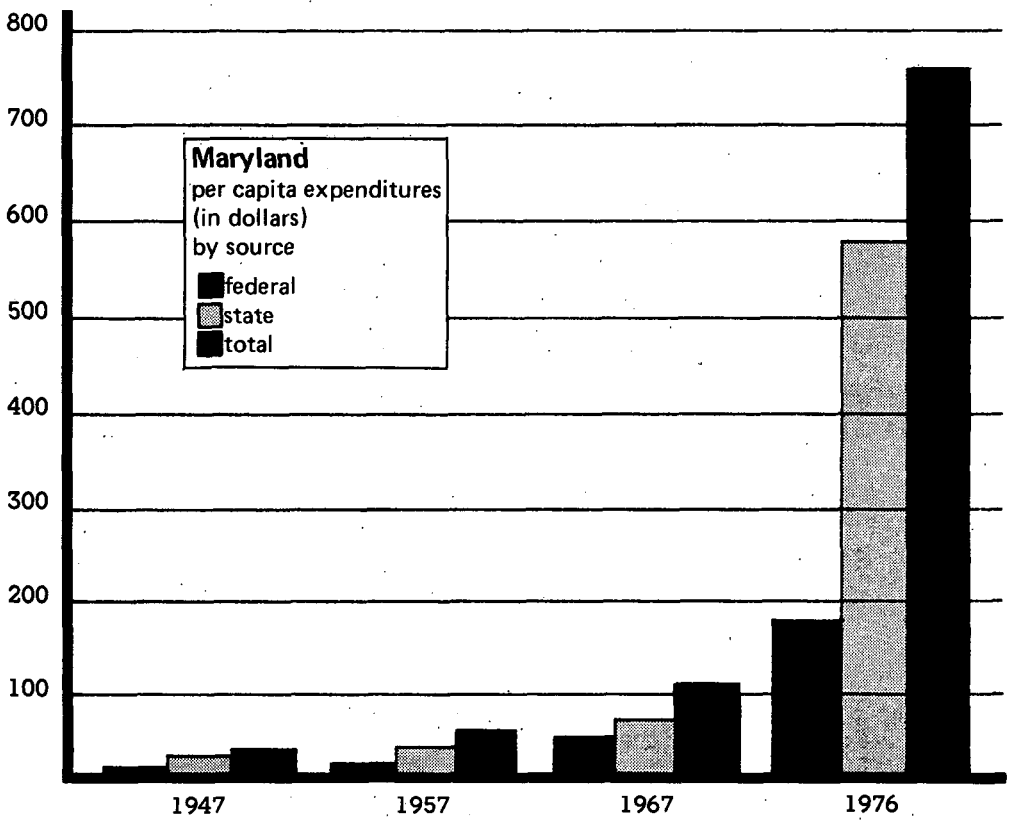
These two major taxes—along with a host of minor ones—have given Maryland an almost unshakeable revenue base. When Agnew took office in 1967, full of pledges to make government more frugal, he added 2,139 workers to the Maryland payroll. Marvin Mandel followed the same politically astute course, preaching belt-tightening while adding state personnel. Even in 1974, in the wake of the oil crisis and the recession, when Mandel presented a budget that he claimed was "prepared under the bleakest of economic conditions and fiscal uncertainties," he was able to increase the general fund budget by 14 per cent and add another 1,680 jobs to state agencies. "It never misses," says Bosz. "It's like Old Man River. Every year it ends up that way, regardless of whether you have a governor preaching austerity."

The same can be said of reorganization of the state government—promised as a way to cut costs, it has often increased them.

The first part of the state government to be reorganized was health. In 1969, a Department of Health and Mental Hygiene was created to combine all the state's medical and health-related agencies. To head the new department, Mandel chose Agnew's health advisor, Dr. Neil Solomon. If you don't count convicted politicians, Solomon is probably Maryland's best-known celebrity. He is constantly on television and radio discussing medical developments, promoting his diet books, and generally selling health. In his government job, he has a huge agency that has grown like topsy. It has 20 hospitals and health centers. It is attempting to attack problems the federal government has refused to touch, including placement of controls on hospital and nursing home costs. It has its own agencies to deal with drug abuse and alcoholism, and runs its own kidney dialysis program.

But the 13,500-employee department, which has a $610 million budget, has proven almost impossible to



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control. A few years ago, a governor's task force reported that the health department was in near-chaos and that Solomon should be fired. Solomon's response was to implement another reorganization plan that added a new layer of bureaucratic offices, including an Office of Special Services, an Office of Professional Resource Services, an Office of Government Relations, and an Office of Management Staff.

In other areas, the state has had better luck with reorganization—but it has been costly. A new Department of Transportation has succeeded in unifying previously autonomous and competing agencies into a single department with a consolidated trust fund. This has given officials better control over the direction of transportation in the state, but it has also required a new layer of bureaucracy; 452 people now work in the department's central office (once the executive suite of the Martin-Marietta Corporation) which has a budget of $6 million. In the central office alone, there are 12 jobs in legal affairs, 13 in public relations, 34 in finance—plus personnel specialists, equal opportunity specialists, environmental specialists, and of course support staff to assist each new specialist.

Federal programs have also added people and money. Maryland got $178 million from Washington in 1968 and will get $935 million this year. It took just a handful of people to run the Medicaid program in Maryland in 1968. Ten years later, there are 259 positions ostensibly needed to account for the $314 million a year Maryland pumps out in Medicaid payments. When Richard Nixon first established the Law Enforcement Assistance Administration, the Maryland governor's office handled the paperwork for the small grants earmarked for local police departments. Now, 39 state workers distribute the almost $10 million a year in LEAA funds.

Then there are the new buildings the state has built, which have provided new construction contracts, architectural and engineering fees. The University of Maryland, once known as a cow college, now has an enrollment of 40,000 spread over four large campuses, an overall budget of $378 million, and a state payroll of 13,000, up from 3,600 just 20 years ago. Eight other state colleges and universities have total budgets of $121 million and enrollments of 31,000. The state system of two-year community colleges has an annual budget of $48 million and 58,000 students. Lee is asking this year for funds from the legislature to build another $78-million worth of new buildings, and when they are finished the upkeep on them will be another $7 million a year.

Parallel Growth

This phenomenal growth in the size and cost of Maryland's government has been supportable over the last 15 years largely because of the parallel growth of the state's population and jobs. From 1960 to 1970, Maryland ranked sixth in the country in the rate of population increase, fourth in the rate of increase in service jobs, and sixth in federal jobs.

Since then, however, these trends have either stopped or reversed. From 1970 to 1976 the rate for population growth dropped to 29th nationally; for service employment, to 38th; and for federal government work, to 15th. In its economic character, Maryland is shifting from sunbelt to frostbelt.

The state's government, however, has continued to function as if these dramatic shifts never took place. While the rate of growth of the Maryland government was 27th nationally from 1960 to 1970, it rose to first from 1970 to 1975. As each new building and program means more salaries and fringe benefit costs, particularly pensions, the state is moving to a position where the declining private economy—and a halt in the expansion of the federal bureaucracy—will mean a steady erosion of the surpluses of the past decade. ■

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A Report from West Virginia

by James A. Haught

Three decades ago, West Virginia had 125,000 coal miners and about 10,000 state government workers—a 12-to-1 ratio. Since then, the coal industry has mechanized and government has bureaucratized. Today there are 60,000 miners and 50,000 state employees. In the 1950 census, West Virginia had a population of two million and there was one state government worker for every 200 residents. Now the population is 1.7 million and the ratio is 1-to-35—six times higher. Four high-rise office buildings have been added to the state capitol in Charleston to house all those new employees, and the state still has to spend $6 million a year renting additional space.

Most of the reason for the increase is the availability of free money from Washington over the last 20 years. In the 1960s especially, Congress passed a welter of social-welfare programs and gave control of them to local agencies. States learned to take advantage of this federal largesse, hiring grantsmen who specialized in writing successful applications for funds from Washington. "The pie is there, so get your share," became the motto of the West Virginia government, says Miles Dean, the state's finance commissioner. "We see the result of it each year in our budget."

That budget has more than tripled in the last decade. It's now at $1.6 billion a year—and $700 million of that is federal funds. Part of the money from Washington is passed on to pay for programs that county or local governments administer, but most of it stays in Charleston. "If we were utilizing only our own resources, we wouldn't grow much," says Dean. "State law forbids us to budget a deficit. But the feds have no lid. They can do whatever's politically saleable in Congress."

Sometimes, however, this is more expensive for the state than it seems to be. Washington can provide full funding for a state program, but when the grant expires the state is stuck

James A. Haught is a reporter for the Charleston, W. Va., Gazette.

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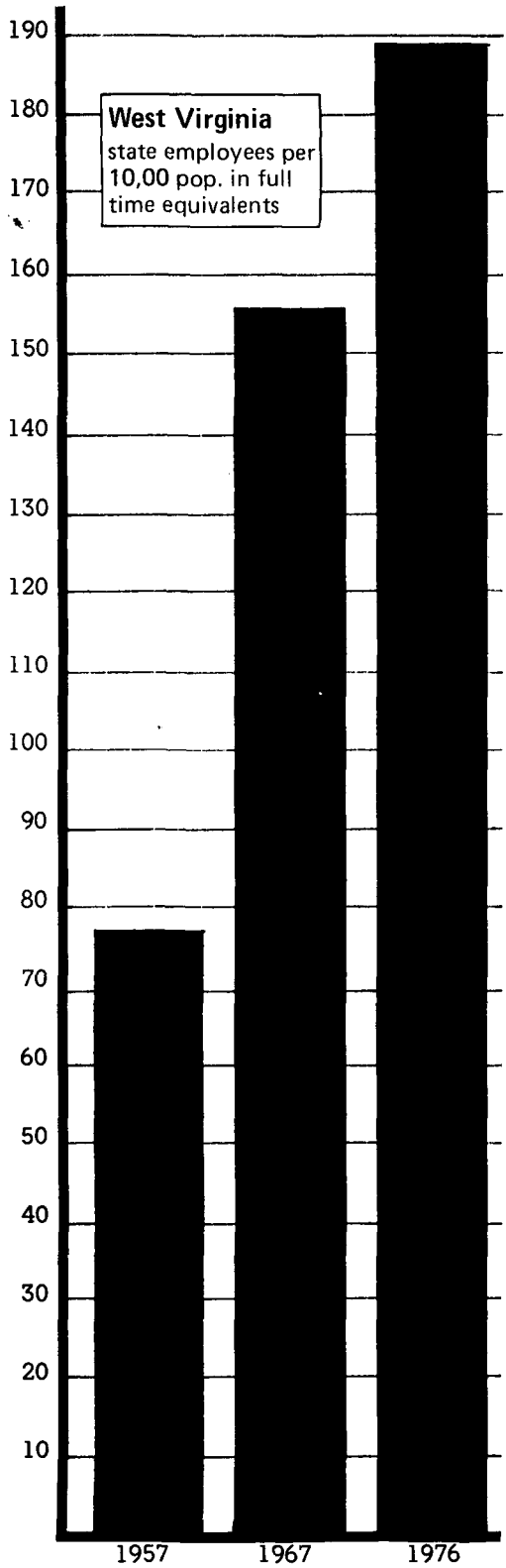

with a new group of employees whom it has to support thenceforth. An example is the Transportation Remuneration Incentive Program (TRIP), which the federal government started and funded in order to provide bus service for the poor and elderly. West Virginia's money for the program expires in October, and the state has to decide whether to abandon or support a bus network that covers one third of its area. West Virginia's government also will have to shoulder next year a larger share of the cost of a new statewide ambulance service, a state coroner system, and a network of community mental health centers—all launched with federal money.

The federal government also can provide 75 per cent funding for certain services as an incentive to states to provide the other 25 per cent. But once such programs start up, the state has to cover the regular annual five per cent raises for the people who administer them. The state's Title 20 welfare programs, funded on this 75-25 basis, now cost West Virginia $5.7 million a year more than its original share.

Another way the government can cost West Virginia money is by building a state facility, like a juvenile detention home or a cultural center. The state seems to be getting a free building, but because it has to pay for staff and upkeep, it's actually taking on a major expense. At West Virginia University at Morgantown, 100-percent federal funding built a $60-million elevated automatic trolley to whisk students from campus to campus (by the way, the trolley was supposed to cost $13 million). When the federal money runs out, student fees will pay only one third of the trolley's operating cost, and the state will have to scrape up the rest.

Health, Education, and Welfare

The growth areas in the West Virginia government have been, unsurprisingly, health, education, and welfare. The old warhorse bureaus of

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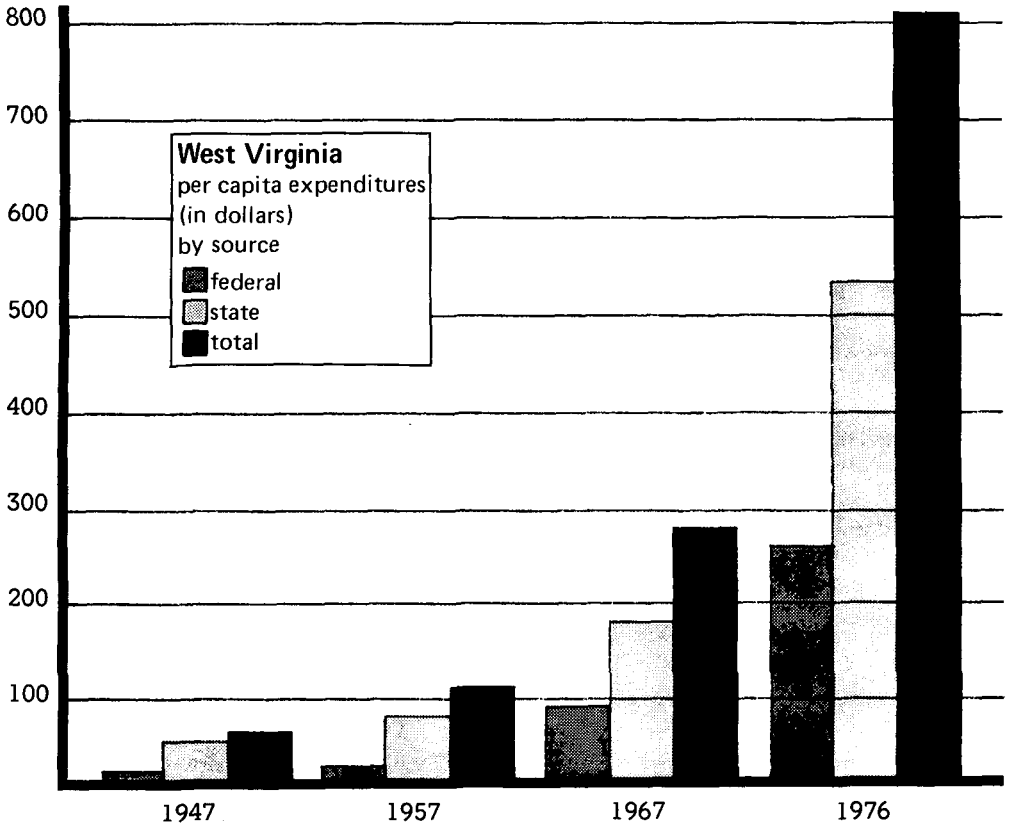

state government—the highway department, the parks department, the motor vehicles registry, the state liquor stores—have not grown much recently. The state welfare department has grown from 1,937 employees seven years ago to 3,385 today. The colleges and universities employed 7,904 people seven years ago, and 9,827 today. The state mental health system expanded from 2,745 workers to 3,964, and the state health department from 354 to 588. West Virginia's commission on aging had a three-person staff in 1971 and now employs 23 people who oversee a $5.9-million annual budget, $4.8 million of which comes from Washington.

This growth has reflected Washington's priorities over the past decade and a half, and has therefore been in appropriately idealistic areas. "Twenty years ago," says Dean, "we didn't have strip mine enforcement laws or air pollution control or meat and produce inspections or mine safety control or chemical plant safety inspections or consumer protection offices. You can't view any of these negatively, because they're all motherhood programs—but they're expensive. They're good, but how much good can you stand?" The West Virginia government apparently can stand a lot.

For example:

- The Governor's Office of Economic and Community Development is budgeted for $90 million next year, $82 million of which will come from the federal government.
- The Welfare Department will spend $209 million, $133 million of it from Washington.
- The Vocational Rehabilitation Division is budgeted for $23 million—and $15 million of that is federal.
- The Department of Employment Security is 100 per cent funded—at $10 million a year—by Washington.

It's hard to ask state officials to exercise discretion when deciding which federal programs to participate in, because every federally funded program gives state officials, free of

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charge, ample amounts of the currency of politics—jobs. The West Virginia manpower program costs the state $10,000 a year (and the federal government $25 million) and adds 8,400 workers to the state payroll. The manpower program also provides for summer jobs for poor youths, which, investigations have shown, have often gone to the children of politicians and their friends. The federal government made West Virginia pay back some of the summer money it had spent illegally.

The Promise of Perquisites

Federal programs are alluring to West Virginia because they hold out the promise of perquisites and nondemanding work for the state employees who implement them. When there's federal money available, state employees know their requests for out-of-state business trips are much more likely to be honored. The State Department of Natural Resources joins many professional societies (like the Southeastern Raccoon Task Force) and sends its officials to conventions everywhere from Florida to Canada. The department's travel requests point out, in large type, "cost is 75 per cent reimbursable from federal funds."

Reporters who cover the West Virginia statehouse agree that, with a few exceptions, government employees rarely seem to work hard. Carolyn Smoot, the state director of employment security, agrees; since she started her job in 1977, she says she has found about 75 employees of her agency "who have done no work, can't define what their job is, or are physically or mentally unqualified to hold their jobs."

Smoot recently told the *Charleston Daily Mail* that she has found one staff in a suburban office so fancy it was nicknamed the country club and ten employees in an office in Charleston that was equipped with a bar. She said she has found others "taking senseless trips around West Virginia to earn profits on state mileage." Some of these workers, she said, had originally been hired by the state as a political reward and had proved incompetent in other agencies. So they were "hidden" in the federally funded Employment Security Department, which gets less scrutiny from the legislature than state funded agencies. She'd fire them, she said, but can't because they're under civil service.

The Employment Security Department once told the legislature, Smoot said, that it had 1,500 employees, apparently so that friends and relatives could easily be added to the slack payroll. It took her nine months to learn that the agency really had only 764 employees.

West Virginia Governor John D. Rockefeller IV, in his first state of the state address a year ago, said the government had "grown to the point where it's unmanageable." He said that when he had entered the state legislature in 1967 there were 32,200 state employees, and ten years later there were 45,837. One of every six people in the West Virginia work force, Rockefeller said, is on a government payroll. He promised to try to stem the tide.

In the year since then, Rockefeller has succeeded in at least keeping the size of the state government steady. Miles Dean reported in January that the 45,837 employee total had been whittled down to 43,450. In February, Glen Gainer, the state's auditor, who was counting paychecks instead of full-time employees, said the state's work force went down from a high of 52,644 on one payday in 1976 to 50,250 in January of 1978.

But these are minor changes; here in West Virginia, big government looks like it's here to stay. For the same reason that the coal companies keep adding managers and losing miners, the state government isn't going to get much smaller. As Ralph Halstead, chief of statistics for the West Virginia Department of Employment Security, puts it, "it's something basic and profound in society." ■

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Tidbits and Outrages

One Man, .77 Doors

Here's our annual report on the number of doorkeepers employed by the West Virginia State Senate. There are 13 this year. The chamber has ten doors.

Dinner's in Planting Beds

The publicity release for Twigs, a new Washington restaurant, says, "Cocktails are a special affair at Twigs. Drinks are served in glass flowerpots."

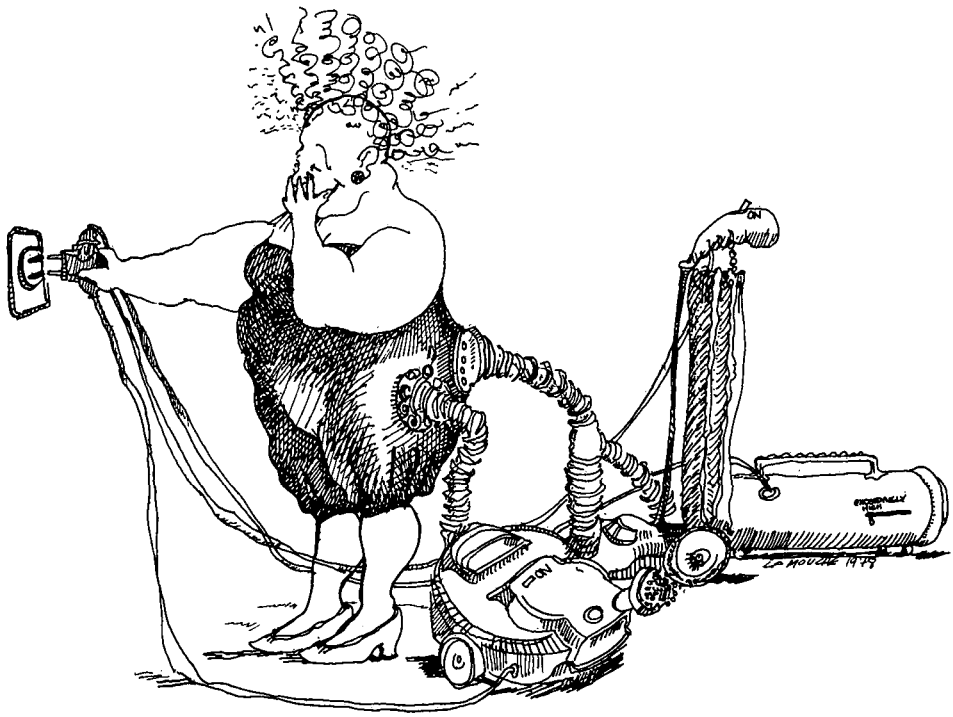
Labor Struggles

Our annual award for honesty in public relations goes to Mike Dowling, public affairs director of the American Federation of State, County, and Municipal Employees, who wrote this paragraph in a memo to labor reporters planning to attend the mid-winter meeting of the AFL-CIO executive council in Bal Harbour:

"With all the cocktail parties, poker games, poolside naps, and unanimous votes on official resolutions, very little that's unexpected or important ever happens at the executive council meetings. '

Feelings and Vacuum Cleaners

Have you read the advertisement for Slim-Skins: "Just step into the Slim-Skins, which cover the body from ribcage to knees, snap the attached hose to your vacuum with the universal adapter which fits any vacuum cleaner—and turn on your machine. Instantly you will experience a sensation so remarkable that it must be felt to be believed. . . ."



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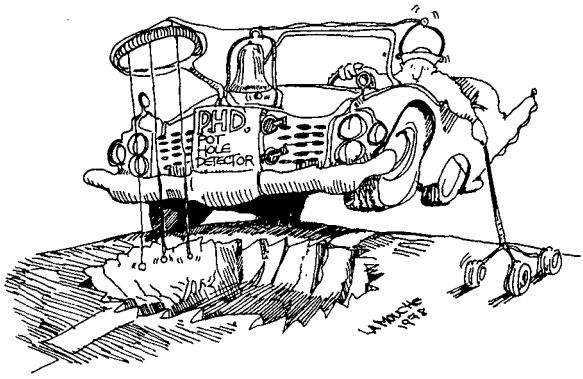
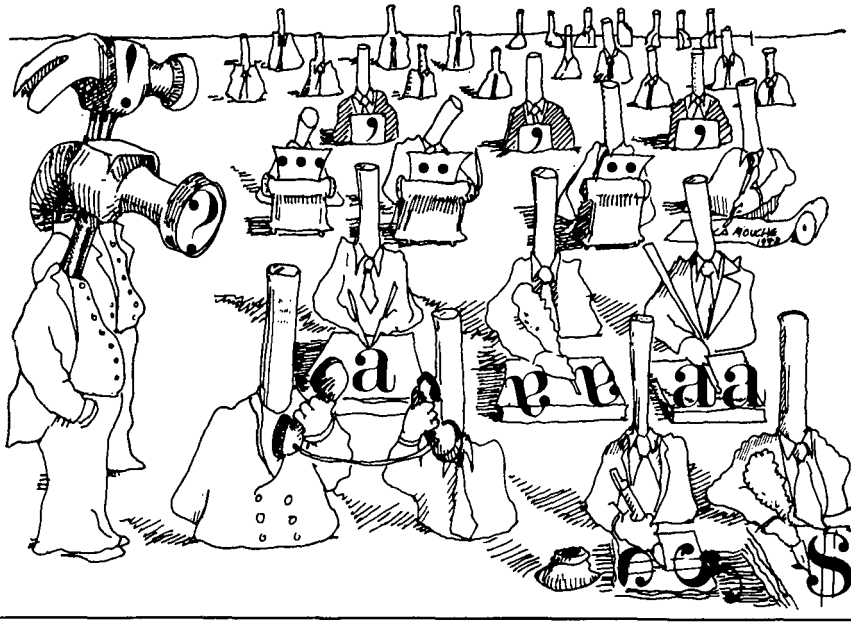
Paying for Potholes

This has been the winter of the pothole and a lot of people are finding out that the warranties on their tires don't cover damage from potholes. In October 1976 Bary De Nicola of Market Tire told *The Washington Star*'s Mary Ann Kuhn, "The big five tire manufacturers said no more warranties against road hazards." If De Nicola is correct, this could be nothing other than a conspiracy in restraint of trade; so instead of silently accepting your tires' fates, write the Bureau of Competition of the Federal Trade Commission or the Anti-Trust Division of the Department of Justice and urge them to investigate this curious simultaneous decision by the tire companies.



Civil Servants Pledge Support for Reorganization

James Lardner of *The Washington Post* came up with this quote from a nameless bureaucrat: "We're all like headless nails down here—once you get us in, you can't get us out."



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"It's pretty spooky rowing around inside a supertanker in a rubber boat."

"That's me in the back of the rubber boat," says Chief Mate George McShea. "We're not rowing on oil, but on a saltwater lake in the belly of a supertanker. And it's one aspect of life on a supertanker I can't get used to.

"Sure, a supertanker is three football fields long, and twelve stories high. But after a while those are just numbers.

A lake in a cave

"This tank inspection is something else. After the tanks are cleaned and the residual oil retrieved and stored, they're flooded with seawater, and inspection crews go inside, checking structural integrity.

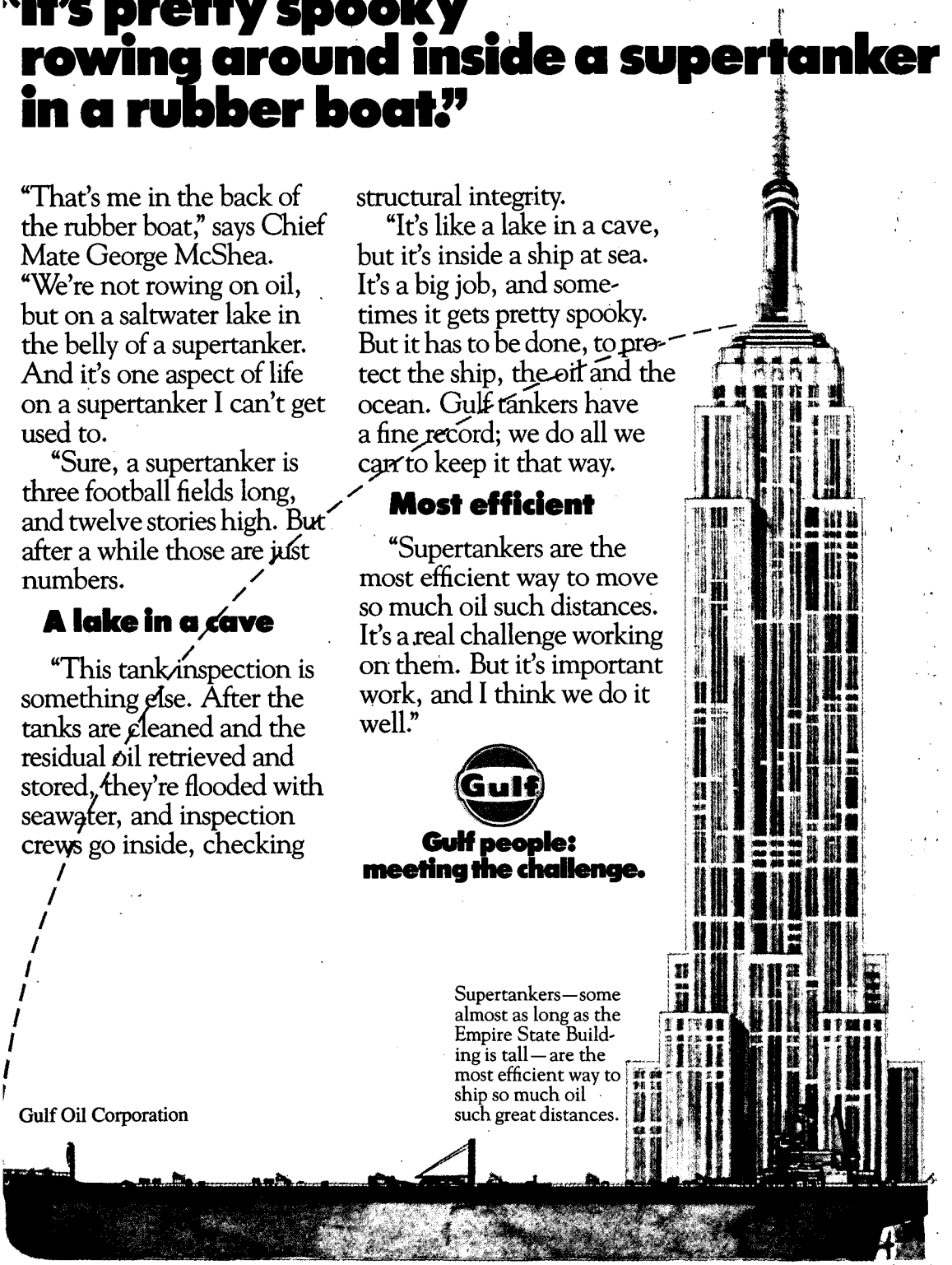
"It's like a lake in a cave, but it's inside a ship at sea. It's a big job, and sometimes it gets pretty spooky. But it has to be done, to protect the ship, the oil and the ocean. Gulf tankers have a fine record; we do all we can to keep it that way.

Most efficient

"Supertankers are the most efficient way to move so much oil such distances. It's a real challenge working on them. But it's important work, and I think we do it well."

Gulf

Gulf people: meeting the challenge.



Supertankers—some almost as long as the Empire State Building is tall—are the most efficient way to ship so much oil such great distances.

Gulf Oil Corporation

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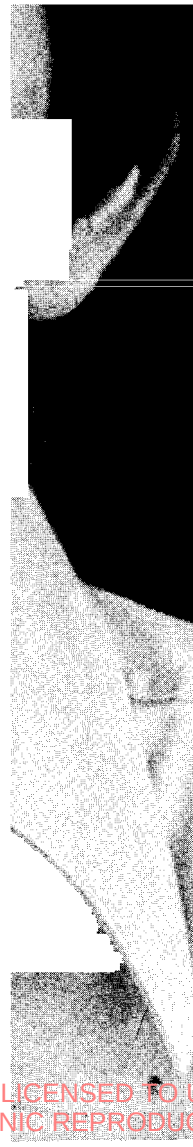

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Jordan, Georgia, and the Establishment

by Nicholas Lemann

The aide was in Washington for a special occasion: the signing, amid much pomp and circumstance, of the Panama Canal treaty last December. The course of the day's events eventually led him to the White House ballroom to hear President Carter make a speech, and there the aide found himself standing next to the President's top assistant, Hamilton Jordan.

Jordan stood there with a smile on his face as he watched his boss speak—as if he couldn't believe, the aide remembers thinking, that Carter had really come this far. But Jordan's reverie didn't last long; he began to be assailed by a stream of people who wanted to talk to him, to touch him, people who came not on any specific mission so much as simply to make contact with the man who is closest to the President. An official of the AFL-CIO came up, slipped his calling card into Jordan's hand, and whispered, "Have *him* sign it, will you?" Jordan, stone-faced, put the card in his pocket. The aide remembers thinking how arrogant and cold Jordan was. He tried to make conversation; Jordan put the aide off with a few brusque words.

Half an hour later, the aide and his boss, an out-of-town politician, were ushered into Jordan's office for a scheduled appointment to talk politics. There were some tennis rackets stacked against a wall, classical music on the record player, people coming in and out. This was a different Jordan: relaxed, charming, soft-spoken, his feet up on the table, ticking off instinctive judgments about the aide's boss' political future. A possible race would be brought up, or a campaign issue, and Jordan would say, yes, that'll work, or no, that won't, the country is getting too conservative for that. The aide remembers being amazed that somebody could seem so different in two settings over such a short period of time.

In the same way, the friends of Hamilton Jordan are amazed now at the difference between the Jordan they know and the Jordan they read about in the papers. The Jordan they read about looks down women's dresses at fancy parties, gets into nasty scenes at bars, won't return phone calls or answer letters, and regularly alienates and offends people in Washington. The Jordan they know is not just warm and friendly but unusually and remarkably so- cordial, gracious, unaffected, a man who regularly goes out of his way just to be nice to people.

Even discounting the way someone

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White House Photo

in a job like Jordan's tends to be deified by his acquaintances, it's striking how often people's first impressions of him are centered around his niceness. "He's one of the most charming people I ever met, just tremendously charming," one Carter campaign worker remembers. "Once they were about to hold a meeting in a room where I was, and they obviously didn't want me there. So Jordan came up to me and started to ask me questions—how was I, what did I think of this issue or that issue—and we were kind of strolling as we talked, and every time I looked up I was three steps closer to the door, until finally he had me out of the room entirely. Whereas the usual approach at moments like that in a campaign is to say, 'get the hell out of this room.' "

"I never saw a mean streak in him," says Steve Stark, a member of the Carter issues staff in 1975 and 1976 and now a law student. "It was rare that he was in a bad mood. He was always in a good mood." Jim King, a political pro who joined the Carter campaign in 1976, says that at their first meeting Jordan "enchanted me—he reminded me of myself."

In the White House, where Jordan works out of H.R. Haldeman's old office, he is by all accounts remarkably immune to the officiousness that usually comes with his job. He's known, among the small portion of humanity that gets to see him regularly, for being open to argument, low-key, and judicious. He's not much of a self-aggrandizer or office politician, given the setting. He's said to be so gentle with people that's he's incapable of delivering a tongue-lashing to someone who does a bad job.

Jordan's friends—and the White House reporters, most of whom he has charmed—say another of his endearing traits is that he's fun-loving, meaning that he likes to go out after work, take a drink or two, and have a good time. His idea of how to spend leisure time, his friends say, was forged in the Phi Delta Theta fraternity house at

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the University of Georgia, and that, along with a natural irreverance, is why he acts the way he acts.

But this explanation- Jordan as fun-lover—wears thin in the face of Jordan's behavior in public, which is that of a man who is nervous, self-conscious, and resentful.

Early this year, for instance, Jordan, newly separated from his wife, flew to Saudi Arabia to join the Carter traveling party there, supposedly because not much was happening back in Washington. He walked into a state dinner wearing a tie that was—well, loosened, according to people who were there, just doesn't describe it. It was pulled open to halfway down his shirt, far past the point of comfort, as if to make a statement to the assembled diners—and indeed, most of them duly noticed.

Another thing most people noticed about Jordan in the early months of the Carter administration is that he was an avid tennis player. The photographs that came out of the West Wing almost always showed Jordan dressed in tennis clothes. He wasn't wearing them just on the White House court (where he was, it's true, spending a lot of time), or in his office, but even at meetings where everybody else was dressed somberly. That he was wearing tennis clothes isn't as striking as that he wanted the world to think of him as wearing them.

He has also obviously wanted the world to think of him as a freewheeling, devil-may-care, Butch Cassidy type; *Rolling Stone*'s cover photograph of Jordan and Jody Powell dressed as Butch and the Sundance Kid hangs in the most prominent place in Jordan's outer office, impossible for any visitor to miss. Another mask Jordan likes to wear is that of an aw-shucksing dumb old country boy, which he uses when dealing with people he doesn't want to open himself up to.

These are benign guises, although Jordan has less pleasant ones too. In his recent row with a woman in a Washington bar, even taking the Jordan camp's account of what happened at face value, he was involved in unpleasantries that ended with the woman slapping him—not the kind of fate that often befalls to a simple fun-lover.

Jordan is relaxed and self-confident when he's playing to an audience of his boss of the last 12 years and his trusted co-workers, but in most other settings he seems to be a man in search of an image. The public Jordan has come into being in response to forces that are so strong they have made a kind and capable man powerfully ill at ease. No doubt some of these forces are psychological ones locked deep in Jordan's childhood, but some of them are quite plain. The America that Jordan isn't part of the America of Washington, of the East, of fine universities—has at every turn sent Jordan a message of hostility, and he has responded in kind.

There are people in America, like Jordan and Carter, who have made their way upward by fulfilling the needs and wants of a lot of people; and there are people who have succeeded by accumulating enough credentials and expertise to fulfill the needs and wants of one employer. During the course of this century in America the second group, the appointed, has come to have more power and prestige than the first, the elected. Partly as a result, the friction between them is immense, especially in a place like Washington, which is the repository of the ambitions of many players of the appointive game as well as the elective.

Most of the appointed class who are in the Carter administration could easily have been in somebody else's administration, which often blinds them to the virtues of people who could never have been in any other administration, like Jordan. At the same time, the proven ability of a Jordan to bring off a wild long shot is disconcerting to people who have

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planned their lives so as to avoid wild long shots. So there's a feeling—made up of mixed condescension and insecurity—that Jordan doesn't deserve his job, that he should perform some functions and not others, that he should behave a certain way, that he may not be quite equal to it all. Jordan has been made well aware of that attitude, and it has provoked its own mix of hostility and insecurity—not only in Jordan, but in Carter and in his administration.

Prominent and Affluent

Jordan grew up different from what he now appears to be. He was born in September 1944 and raised in Albany, a city of 75,000 in south Georgia. He was no country boy—he came from a locally prominent and affluent family, one long active in politics. His father was an insurance man, but both his grandfathers had been politicians (one was mayor of Macon, the other president of the state senate), and his uncle and namesake, Hamilton McWhorter, is a former state senator and now secretary of the Georgia senate. Jordan was a bright and outgoing young man, though not, McWhorter says, overly studious. As a senior in high school he was governor of the Key Clubs of Georgia, a junior branch of the Kiwanis, and he was president of his freshman class at the University of Georgia. "He was always a leader," says Spencer Lee, a close friend from boyhood. "We always thought he was the most likely from our school to be governor one day."

There followed a period of drift in Jordan's life. He entered the university in the fall of 1962, and, he told Aaron Latham of *Esquire*, "I crammed four years of college into five years, almost six. A couple of times I just got tired of it and went home, and other times I had to. I didn't make the grades. If you fell below a certain average in a quarter, then you couldn't come back the following quarter." During this time, in the summer of 1966, Jordan met Jimmy Carter, then running as a racial liberal in his first race for governor of Georgia, and became youth coordinator for that Carter campaign. The university's records show him graduating in 1967, at 22, with a bachelor's degree in business.

A Cordial Young Man

In the late summer of 1967, having been deemed unfit for military service because of flat feet, Jordan joined the International Voluntary Services and went to Vietnam as a volunteer. He wanted to serve his country, and he really believed in the Vietnam war, though he wouldn't for long. He was known among his friends there as an unusually cordial young man, a Southern gentleman. He was the best dresser of his group of volunteers, his Vietnamese pajamas always a little finer and fresher than his friends'. He picked up the language quickly and loved to play with Vietnamese children. He used to speak sometimes of his fondness and admiration for Jimmy Carter. After just a few months Jordan developed black water fever, and he came home to recuperate just before the Tet offensive. When he got well again, Jordan got a job he didn't like at the Citizens' and Southern National Bank. This whole stretch of Jordan's life, curiously, is often recounted inaccurately; it's usually written that he was a senior in college when he met Carter in 1966 and that he spent two years in the IVS, so that the period from 20 to 25 takes on an orderliness that it didn't really have.

The picture that emerges, then, is of a young man of intelligence and ability, of whom much was expected by family and friends, who had been casting about for a comfortable place in life. He clearly had some idealistic stirrings, if vague ones, and a strong interest in politics. His casting about came to an end when his life found its direction in Jimmy Carter.

Carter's second race for governor began just after his first one ended,

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and for a time Jordan traveled the 35 miles from Albany to Plains every day to help out in Carter's driven routine of letter-writing and speechmaking. These were times when not very many people outside of the family were on the Carter bandwagon, when people who wanted to be on a winner's team were toiling in other vineyards. Those who were helping that early won, in return for their efforts, Carter's undying trust and affection.

Those Obscure Years

Jordan's relationship with Carter was forged in those obscure years, 1967 and 1968 and 1969, when nobody was paying much attention. By 1970 Jordan was Carter's campaign manager, and since then his position as intimate advisor and chief political strategist to Carter has been, as far as it's possible to tell, unwavering. In those years of life when his future compatriots on the White House staff were polishing up their resumes at Yale or Harvard Law School, when his old friends from high school and college were settling comfortably into the kinds of business jobs that had made him restless, Jordan was off tilting at windmills.

That doesn't mean he was starry-eyed, though the successful 1970 campaign, which Jordan masterminded, was not a pretty thing. Carter won by emphasizing his close ties with George Wallace and Lester Maddox, and appealing generally to the dark side of populism, to get past the concerted opposition of the Atlanta establishment. On the other hand, Carter's governorship was much more of a shining moment—his racial liberalism was by far the strongest and most discernable true belief of his career—and Jordan was the chief aide then, too, with the title of executive secretary. It was then, in another administration of outsiders, that Jordan first got his reputation as arrogant, as a rube, and as a noticeably sloppy dresser—the opposite of what he had been before.

In 1972 Jordan, ever ambitious for his boss, ran a small and unsuccessful campaign to get Carter nominated for vice president on the McGovern ticket, and later that year he wrote his famous 72-page memo urging Carter to run for president and explaining how it could be done. It's worth noting that the memo was far more prescient in its gauging of the public mood than in its explanation of how to court the national powers that be. On the one hand, Jordan saw long before Watergate became a first-rate burglary that public mistrust of government would be a major issue in 1976, and he knew New Hampshire and Florida would be the key primaries for Carter. But on the other, he suggested that the panjandrums of *The New York Times* could be brought into Carter's column through a little lobbying by the candidate's cousin, Don Carter, a Lexington, Kentucky newspaper editor.

'He's Gonna Win'

Spencer Lee remembers Jordan buttonholing him at the mini-convention in Kansas City in the fall of 1974 and telling him earnestly that Carter was running for president, that "I'm dedicated to the man and he's gonna win and I want you to help." A month later Carter announced, and Jordan was a campaign manager again.

Jordan had two specialties—making instinctive political judgments and drawing up comprehensive plans of battle—that, along with his closeness to Carter, were his strengths then and remain so today. The campaign for the Democratic nomination was worked out with sufficient forethought that Carter alone was canvassing Iowa in February 1975 and studying the logistics of Madison Square Garden right after the New Hampshire primary. Later on, Jordan's affinity for planning took on a baroque elaborateness that produced a 25-point scale for rating vice-presidential prospects and an unbelievably complicated "per cent of effort" point system for

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allocating fall campaign time in the states. On issues, however, and on last-minute moves like deciding to let everything ride on the Pennsylvania primary, Jordan relied on his antennae. His rival campaign managers lived in Washington and had the inside track, but relentless work and planning and an instinctive feel for the public mood were what put Carter in front.

Running the Office

What Jordan wasn't good at was day-to-day administration. He was known for being impossible to get in touch with, for never being on time, for staying away from the office for days at a time. His overseeing of the Atlanta campaign headquarters left so much to be desired that a man named Paul Hemmann was brought in as "campaign administrator" to run the office. But it's a sign of how indispensable Hemmann was to the Carter camp that he's now the Secretary of Commerce's representative in Atlanta, and a sign of how serious Jordan's shortcomings were to his boss that he's where he is today.

During the national campaign Jordan also began a period of rough sledding within the Carter organization, whose roots lay in a simple phenomenon: after it becomes obvious that a man is probably the next president of the United States, a lot of people are going to try to get under his tent. What's more, when it's somebody like Carter, this second wave is made up of people who are strikingly different from those in the first wave. They were, a lot of them, Washingtonians and New Yorkers, veterans of Democratic Party politics, people who thought of themselves as deserving a place in any Democratic administration, no matter who was heading it. Many of these people offered Carter valuable expertise and fence-mending talents; but many also acted as if, Carter's lonely struggle having taken him this far, it was time for them, the pros and the experts, to take over and start calling the shots.

These people were shown only the bad side of Jordan. He became notorious for his eagerness to freeze them out. He leaked hostile items about the newcomers to the press. He kept Washington insiders from getting jobs they had been promised by others. In one infamous case, Stuart Eizenstat, the campaign's issues director, brought in an old Humphrey hand from Washington named Ted Van Dyk to help Carter prepare for the debates. Although they were working together in the same small group for several days, Jordan refused to speak a word to Van Dyk.

Jordan and his Kind

The case where Jordan felt most threatened, and where he reacted most strongly, was that of Jack Watson, Harvard-trained Atlanta lawyer and protege of Carter's friend Charles Kirbo, who ran the post-election transition. Watson, now secretary to the Cabinet, was given a lot of time and money to prepare for the new administration, and Jordan and his kind weren't part of the plans. The transition team, says one person who was in the campaign, "was all Harvard lawyers and people who knew each other from New York." Shortly after the election, Jordan found that Watson had allotted him just one assistant for the period until January 20. Within two weeks Jordan had set up a "personnel advisory group" that really controlled the transition, while Watson was relegated to developing supplementary budget information (and, ultimately, to his present less-than-crucial job).

To the people who had joined up under Watson's auspices in '76, Watson was a responsible and attractive person and Jordan a remote, hostile boor. Members of the official transition team, who were more Washington than Georgia, became so frustrated at their inability to get through to Jordan (who had taken to working at home) and his staff that they held a meeting to air their gripes. "People

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were very angry," says one person who was there. "It was 'Hamilton this' and 'Hamilton that.' There were complaints and more complaints. There was a feeling of his escaping responsibility, of ignoring detail. Watson came over and talked to us and he was understanding, but what could he do?"

There were other, smaller purges during that time, of people who were relegated to second-rank jobs after having behaved immodestly. There was Greg Schneiders (he had become the man personally closest to Carter, or so he said; he is now director of special projects in the White House); Barbara Blum (she had told the press, before she was supposed to, the composition of the White House staff; she is now deputy director of the Environmental Protection Agency); Peter Bourne and Mary King (they were the most prominent Washingtonians in Carter's campaign, and got a lot of publicity; now they are the President's assistant for health issues and deputy director of ACTION, respectively). These titles may look impressive to the untutored eye, but to people who were at the top of a successful presidential campaign, they don't represent the fulfillment of any fondest dreams. King and Blum, particularly, were blackballed by Jordan for job after job.

Hamilton Jordan is now the most reliably controversial figure in Washington, praised and damned with great vehemence. The alleged cause of the controversy is a series of social gaffes Jordan has committed lately, but it really goes deeper than that. For one thing, Carter himself is as predictable as a grandfather clock and as straitlaced as a Bible instructor, which leaves Jordan as the receptacle of people's natural curiosity about the White House. For another, Jordan, rather than Carter, has come to stand for the Us against Them aspect of the administration, and that's a matter of deep emotional significance both to Us and to Them. Divorces, it's said, are triggered by minor and obvious rifts that symbolize major and less visible ones, and so it is with Washington controversies: they're not as trivial as their supposed causes make them appear.

A Fishbowl Existence

Jordan leads a fishbowl existence now, and that's part of the reason he wears the masks he wears. He is constantly a center of attention; every move he makes is intensely scrutinized. One reason he doesn't return phone calls is that he gets 30 or 40 legal-pad pages full of one-line messages every day. Jordan's friends say he feels he's been unfairly robbed of his privacy. In the long White House denial of Jordan's bar imbroglio it emerges that from the second he walked into the bar he was beseiged by people and that he was also trying to avoid seeing a reporter whom he'd been told was there. "When these fellows came in," the bartender told the White House lawyer who was investigating the incident, "they recognized right away that it was Hamilton Jordan and it was like—I have to say honestly that when celebrities come in, politicians are one of the few people that people run right up to. They don't run up to—I have had Clint Eastwood, Johnny Bench—they don't run up to them. They run right up to the politicians. . . . " Some rare people flower in this kind of atmosphere, but it would bring most of us close to the boiling point.

Of course, there are other ways Jordan could spend his spare time that would make him more popular—as one friend of his puts it, "He could go to some of these parties *they* want him to go to." *They* means established Washington, to which Jordan and the other Carter staff from Georgia are either (to hear them tell it) blissfully indifferent or (more probably true) quite hostile. Helen Dougherty, who was Rosalynn Carter's personal secretary during the campaign and the early days of the administration and has since moved back to Georgia, says

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that Washington is "an awful city. Our life in Atlanta was looser, freer, more casual. We entertained only with our friends. Washington isn't our lifestyle. Our people aren't that interested in impressing people, and not that impressed by people."

An Honorable Tradition

That's sounds like what's at the heart of the matter—the latest version of that honorable White House tradition, fear of the Eastern establishment. The classic victim of it was Lyndon Johnson. His biographer, Doris Kearns, quotes him as complaining to her about "those liberals on the Hill squawking at me about Vietnam. Why? Because I never went to Harvard. That's why. Because I wasn't John F. Kennedy. Because I wasn't friends with all their friends." And Johnson's successor was even worse; H.R. Haldeman, in his memoirs, has Nixon telling him at the beginning of his second term, "None of them in the Cabinet, do you understand? None of those Harvard bastards!"

In the Carter administration, the interplay between insiders and outsiders—sometimes hostile, usually quite subtle—goes on not only in the drawing rooms and bars, but in the West Wing as well. In contrast to outside, Jordan seems to feel comfortable and secure there, partly because the hierarchy is unusually stable. There's not much chance of anyone's responsibilities changing. Newcomers aren't fully trusted. Since Carter became president, only Robert Strauss' duties have expanded dramatically, and Strauss is a glad-handing, political Mr. Fixit who does the bidding of whoever his boss happens to be. The lawyers on the staff, the New Yorkers and the Washingtonians, the Ivy Leaguers, have stayed right where they are, thank you.

On the other hand, Carter is obviously a man whose resentment for the credentialed and the anointed is mixed with awe, and in the early days he effectively turned over the substantive work of his administration to the technicians who populate the policy staffs of Stuart Eizenstat and Zbigniew Brzezinski. Jordan was left to fill political jobs, which he didn't much like, administration, Carter had Jordan and Powell handling outside pressures, politicians and the press. There was no sense that any of these men had traveled their long road with a firm agenda in mind for what they would do when they got to the White House.

The Answer to the March Puzzle:

T	H	E	S	U	P	R	E	M	E	C	O	U	R	T
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S	A	L	T	Y		A	D	H	E	R	E	N	C	E
U		S				C		E		G				R
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F	I	R	S	T		B	U	C	K	L	E	S	U	P
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C	O	U	R	T	S	O	F	A	P	P	E	A	L	S

Orchestrating the White House

But as the experts' handiwork began to have trouble getting through Congress, and as Carter's popularity began to drop, Jordan became more important. During the campaign, his specialty had been selling Jimmy Carter politically; now it became selling Carter's programs. The original energy plan was the product of James Schlesinger, and it didn't fly; future energy policy will go through Jordan before it goes out to the public. The U.S.-Soviet statement on the Mideast came out of Brzezinski's office and infuriated American Jews; from now on, Jordan will pass on all White House Mideast initiatives. The Carter administration's one great political triumph

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—the apparently assured passage, after a long uphill battle, of the Panama Canal treaties—was completely a Jordan production, orchestrated with all the meticulous care of Carter's presidential campaign. Now Jordan passes on virtually everything that comes out of the White House, chairs senior staff meetings, and sits in on Carter's weekly meetings on foreign policy and intelligence. Before too long he'll probably be managing his second presidential campaign.

Meeting the Goals

But Jordan is still very much a non-expert, a man of instinct and common sense, someone who helps the Carter administration meet its goals rather than helping to formulate those goals. The latter role he hasn't taken on because everyone—including Jordan himself—seems convinced that it's not his kind of thing. People bring matters to Jordan after they're finished, and he looks at them and decides whether or not they'll work politically. Or Jordan holds meetings, where he listens quietly and attentively to everyone's point of view and decides which way will work best. Or he plans campaigns like the one for the treaties, with much detailed manipulating of the press, politicians, and celebrities. In this role, he's supposed to be astute, direct, and unpretentious. "He's not somebody to give you a Robert McNamara six-point analysis of a problem," says one person who has been in meetings with Jordan. "He'll say, 'I'm a little afraid of this or that." Whatever is the most important matter at hand—most recently, the coal strike—Jordan is coordinating the administration's response, trying to make sure Carter will choose a course that works.

The matter of whether the course is a wise one, Jordan leaves to others. He is reputed to be genuinely idealistic, to care about the people of America and about humanity generally, but the specifics of his ideology all come from Carter. His job is helping a man he totally believes in to act as a conduit for his own undefined feelings of altruism. "I was amazed to perceive that in him," says Jim King, who for a year worked with Jordan in the White House. "I remember on the Panama Canal, talking to him- it's got no constituency, I told him, and how the devil are we going to get it through. Hamilton said we've got to do it. He said, Jim, it's right, I know it's right. He went into this long emotional thing. I said, this is the big league, Hamilton. He said, no, this is how it's gonna be, so let's figure out how we're gonna do it."

This attitude is partly admirable, but partly evidence of insecurity on Jordan's part: why can't *he* suggest that the Panama Canal be a priority of the Carter administration? The same kind of insecurity is evident in Carter —after all, the Panama Canal treaties weren't his idea, either; he just pushed them to the front burner. He may be a populist peanut farmer, but he has been anxious to explain to every interviewer who would be likely to pick up on it that he's also able to quote Reinhold Neibuhr and Dylan Thomas at length. He may be self-confident, but he's also the man who says the biggest disappointment of his life, besides the loss of the Georgia governorship in 1966, was being nosed out of a Rhodes Scholarship in his senior year in college. He may have as his closest and most trusted aides two men from south Georgia, but they stay away from the development of substantive policy; that, Carter has

"LAST WEEK Mr. Carter picked Mrs. Mondale for Honorary Head of the Federal Council of the Arts and Humanities. Working on a budget of three or four million dollars, Mrs. Mondale will supervise the preparation of a major study of the cultural policies of the United States, looking to the adoption of a coherent and orderly policy. Mrs. Mondale's credentials are as follows. And besides, she is a coherent and orderly lady."

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put in the hands of impeccably credentialed Easterners. If Jordan's specific beliefs are passed on to him by Carter, Carter's are passed to him by these people.

That Jordan and Powell don't press the point is evidence that they're insecure too, but they're more openly hostile than Carter, especially Jordan. "Hamilton and Jody don't have to prove themselves with Carter," says one person who knows them both, "but when the suggestion arrives that they do have to prove themselves, that brings out their lesser traits." Just as a high-school boy meeting his date's parents can react with either sullen hostility or fawning obsequiousness but can't be relaxed and natural, it's impossible for outlanders to confront the establishment with equanimity.

The Voice of God

This nervousness about the establishment, when it's examined at all, is usually examined as a strange and needless neurosis: why in the world should presidents and their assistants feel the need to prove themselves to anybody? But the truth is that the lack of equanimity cuts both ways. The establishment is guilty of smugness and condescension as much as its opponents are guilty of paranoia and hostility.

For those who don't think snobbery plays a role in government, recall that Averell Harriman said, in the spring of 1976, about Jimmy Carter, "How can he be nominated? I don't know him, and neither do any of my friends." And ponder for a moment William Colby's fond memory, in his forthcoming autobiography, of the early days of the CIA: "It attracted what nowadays we would call the best and the brightest, politically liberal young men and women from the finest Ivy League campuses and with the most impeccable social and establishment backgrounds."

For another example, let's tune in to the public-affairs television show "Agronsky and Company" on Saturday evening, February 18, the week of the Jordan/bar controversy. The show is a panel discussion in which several leading Washington journalists mull over the issues of the day- tonight they're Martin Agronsky, the host, Hugh Sidey of *Time*, Elizabeth Drew of *The New Yorker*, and the columnists Carl Rowan and George Will, and the lead item is Jordan. Will weighs in first: "If he committed a sexual faux pas," he says, "it wasn't his first . . . it's beginning to damage the President." Then Drew, who is more sympathetic than the rest, explains that "they feel that people are out to get them and that Washington in particular is. What they don't seem to understand is that along with great power and along with great visibility . . . comes more attention and a certain kind of responsibility."

Now it's Rowan's turn. He speaks in the Voice of God tone that Washington journalists develop after a couple of decades—a booming, slow, authoritative bass that Sidey and Agronsky also use. "I think the major problem with Ham Jordan," says Rowan, "is that he is probably the last hold-out of that old Carter notion that they would come to town and be aloof from the Establishment. Jordan has not yet learned that nobody in this town is so powerful—including the President—that he doesn't have to try to ingratiate himself with some hostesses, with the press, and so forth."

'The Majesty of the Office'

On it goes:

Agronsky: "You can't help but relate the remarkable drop in the President's popularity . . . to incidents such as this."

Rowan: "The public perception is that he's got a bunch of slobs in the White House."

Sidey: "There is something in political leadership called class. I think it's very important . . . . The Carter administration is, in my opinion, getting the reputation of simply not

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having class."

Will: "There comes a time when the office ought to be wrapped in majesty, not in blue denim."

Agronsky: "George I think has in a sense the most important point . . . . The majesty of the office —I really feel that matters *so* much. Well, majesty, if you like, is the wrong word in a republic, but the President should . . . be above it, as it were . . . . The problem is, he's being dragged down into the arena."

Throughout the show these wise pundits insisted that nobody is out to get Hamilton Jordan, but it sounded to me as if somebody was. Over the course of his life with Carter, Jordan has taken on his unattractive accretions at times when people *were* out to get him—when he was being urged to step aside and let the experts take over, when he was being called a dumb cracker, when people who had taken no risks while he had taken many wanted to take his place and ignore his talents.

Rooted in Insecurity

In fact, Jordan has talents that go unrecognized by the establishment, which doesn't share them—an understanding of the public will, a willingness to take a chance. Because Washington's appointed class doesn't heap laurels on people with these qualities, they often become hostile, as Jordan has. Of course hostility is rooted in insecurity, and it's insecurity that is the real problem of the Carter administration. A more secure Carter might now be feverishly implementing a program of fresh and unorthodox solutions to our problems, or at least surrounding himself with people who are eager to do that. He's not. It takes immense self-confidence to push hard for new ideas because it means risking the enmity and derision of the appointed class. While Carter is impressively confident of his ability to rise to the top of the American heap, he's not sure enough of himself to risk being thought of as dense or irresponsible by those whose respect is most important to him.

It is a complex story. Partly it is a matter of self-image: Jordan and Powell think of themselves as Butch Cassidy and the Sundance Kid and Carter of himself as a cooly rational, reorganizing manager, but there is not an important place in either of these images for making the substantive decisions and policies of government. Even more important is that in some way Carter and Jordan and Powell seem to have bought the establishment view that policy should not be made by rural Southerners who did not redeem themselves by going to Ivy League schools. They may resent this view- which is why Jordan behaves as he does—but it's proof of its effect on them that the three demonstrably able, imaginative, risk-taking men at the top of the White House, at a time when the nation needs their skills badly, leave policy formulation to the cautious and the credentialed. ■

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Memo of the Month

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 1, 1978

TO: ALL OEOB STAFF

FROM: PATRICIA BARIO, ASSOCIATE PRESS SECRETARY

On Friday, March 3, the Office of Media Liaison will be holding a briefing for 200 college editors. The editors are scheduled to arrive at 8:00 a.m. at the 17th Street entrance to OEOB, so you may wish to use another entrance when coming to work.

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The Bureaucracy: The Cleverest Lobby of Them All

by Leonard Reed

To assume, as the textbooks tell us, that the executive branch is an arm of the President is to face away from reality.

The process by which appointees, right up to the Secretary of the Department, are gradually integrated into the bureaucratic camp is a familiar one to any federal manager.

Leonard Reed is a contributing editor of The Washington Monthly.

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There are two kinds of lobbying that government employees do. The first, and most familiar, involves working through unions to get increased pay and benefits. It is a problem, but it is at least one that the public can recognize and, perhaps, confront. The second is less well known, more important, and potentially more dangerous. It is more difficult to deal with because it is submerged from public view. It consists of the bureaucracy obeying its most basic impulses—the deep desire of the eager bureaucrat to do much more for the public than the public need requires. It is effective because the bureaucracy is familiar with the levers of power and good at manipulating them.

Political appointees

The executive branch of the federal government has been described as two-and-one-half million people of whom one (two if you count the vice president separately) has been elected. The rest consists of the bureaucracy and the political appointees, who, except for those on the White House staff, soon find themselves absorbed into it. To assume, as the textbooks tell us, that the executive branch is an arm of the President is to face away from reality.

In anticipation of power struggles with each new administration, the bureaucracy's first order of business is the taming and gradual absorption of political appointees. The process by which appointees, right up to the Secretary of the Department, are gradually integrated into the bureaucratic camp is a familiar one to any federal manager. The new chief comes in feisty, convinced that he is going to cut the bureaucrats down to size and bring them under control (although, tongue in cheek, he tells them that *they* are the experts; they listen, outwardly rapt, inwardly yawning at this formula speech). His patron is the President, with whom, he is certain, he will have an intimate relationship.

Somehow, the President turns out to be a busy man. The chief finds that his day is spent with his subordinates, the senior bureaucrats. He discovers that they are a surprisingly capable and intelligent group of people; whatever their flaws, senior bureaucrats don't get there by being dopes. These top aides know their field, they understand federal budget jargon, they know how to get things done, and they have what appear to be workable programs to suggest. New initiatives are what the chief needs if he is ever going to get the President's attention. Indeed, unless he is the rare Cabinet member who comes with his own agenda, when he does see the President his ideas will be those of his subordinates. As his relationship with the senior career servants grows more respectful, intimate, and dependent—as he begins to feel a genuine need to be liked and respected by them—the appointee's identification with their expansionist drive begins to place him in a somewhat different role vis-a-vis the President.

Open Conflict

Through such identification, for example, Patricia Roberts Harris, Secretary of the Department of Housing and Urban Development, has gradually come into a position of more or less open conflict with the President who appointed her. Part of the conflict centers about the spending programs Harris wants. All Cabinet officers had been under presidential instruction to avoid expensive new initiatives. Harris proposed and adamantly insisted upon programs for 1979 that would cost about 40 per cent more than the White House's Office of Management and Budget had allowed for. If that irritated the President, one of *his* notions set the Secretary's teeth on edge. His desire to have the states take over an increasing share of the responsibilities for their cities runs into one of the bogeys of bureaucracy: the transfer of power to other jurisdictions.

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Joseph Califano, Secretary of Health, Education, and Welfare, did not throw his hat very high into the air at Carter's proposal for a separate Department of Education. The American Legion and the Veterans of Foreign Wars, aided by the House Veterans Affairs Committee, and urged on, one can assume, by the Veterans Administration, have successfully lifted veterans' educational programs out of the proposed department. *The Washington Post* on March 5 reported the unkind rumor that Califano publicly raised the prospect of taking over those programs "in order to covertly stir up veterans' opposition that could block the creation of the new department.... Califano has repeatedly denied this. However, he has brought up the idea of including the veterans' program in the new department on several occasions in the past few weeks." HEW bureaucrats opposed to the idea will not be alone as they conduct a sub rosa battle to scuttle the plan. They will be joined by bureaucrats from the Departments of Agriculture and Defense, which have big education programs they don't want lifted out, and from the Department of Labor, which has its own training programs.

Each bureaucracy has its own constituency that it helps support and upon whose support it relies in its battles—battles in which the enemy is often the administration. The example too obvious to dwell on is the Defense Department, with the huge contracts it holds out to an eager and powerful clientele. But *every* bureaucracy has alliances with special interest groups (and congressional committees, about which more later). The interest groups have motivations ranging from a simple and ravenous appetite for the buck to the relative altruism of the Sierra Club in its patronage of the Environmental Protection Agency or the work on behalf of the foreign aid bureaucracy done by the League of Women Voters and the American Association of University Women.

Just as the Labor Department maintains a cozy relationship with the AFL-CIO, HUD has a whole battery of client organizations, such as the National Housing Conference, the U.S. Conference of Mayors, the National League of Cities, and a host of associations representing homebuilders, mortgage bankers, and savings and loans as well as a shifting pattern of coalitions with a big stake in urban spending. Add to these the "think tanks" like the Brookings Institution, the Harvard-MIT Center for Joint Studies, and various university centers that receive study grants from HUD, on the basis of which they develop reports often suggesting new programs. Relationships are likely to be personal and intimate, with officials of HUD frequently being chosen from these organizations or leaving HUD to take posts in them.

A former HUD assistant secretary, now with an interest group, told me that the bureaucracy will often take the idea for a new program to its contacts in the "support" groups before turning it into a legislative proposal. "It's important to tell them what's in it for them and to get them on board while you're developing legislation," he said. "And it has to be attractive to as many of these groups as are needed for the formation of what we call a critical mass—large enough to swing the necessary bloc of votes in Congress." The President is then confronted with a powerful bloc supporting an expensive program proposal in which he may have little interest and that was generated entirely by the bureaucracy.

A Little Give and Take

The support lobbies are particularly valuable to the bureaucracies at budget time (which, considering that agencies regard budget preparation and requests for supplemental appropriations as their first priority, is virtually all year round). The budget process is supposed to work something like this: The Office of Manage-

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ment and Budget lets the agencies know roughly how big the whole pie is this year, what the President's priorities are, and about how much less or more than its current appropriation the agency should base its proposals on. Within the agency, then, the call goes out for program proposals from the bureaucracy, with emphasis on proposals that support presidential priorities; the bureaucracy is also encouraged, however, to propose additional programs. According to the plan, the agency brings its proposed legislative program back to OMB, a little give and take occurs, and then, like good soldiers, the agency officials accept the decision. Their lawyers draft the agreed-upon legislation, which the White House then sends to Congress.

In real life what happens is quite different. As soon as the OMB gives the agency its preliminary guidelines, those bureaucratic fiefdoms within the agency who stand to get less than they hoped for crank up the lobbying machinery. Almost before the agency officials leave the OMB office, the press is alerted to any proposed cut; newspapers like *The New York Times* and *The Washington Post* have contacts—some high, some low—within the bureaucracy of every agency, who supply them a wealth of detail on the damage the cuts will cause. (David Broder, as the President was preparing to present his 1979 budget, reported: "*Washington Post* reporters have been called in the past week by agency officials or leaders of allied interest groups to warn of possible budgecide all across the government, affecting everything from foreign aid to assorted minor programs run by the Energy and HEW Departments.")

The bureaucrats are not interested in the publicity for its own sake but for its power to mobilize the interest groups to take action aimed at influencing the President. When the HUD bureaucracy leaked Secretary Harris's conflict with the White House to the press, statements from such groups as the U.S. Conference of Mayors began to appear in newspapers and on television, and other groups obtained audiences with the President to impress upon him their support of some of Harris's proposed programs. The bureaucrats, strictly speaking, don't lobby the President—they get someone else to do it. We have come to an uncomfortable acceptance of the tremendous influence interest groups have on the legislative process. We are less cognizant that the collusion that takes place between these groups and the bureaucracy makes the latter a legislative power in its own right.

The Gain or Loss of Power

Reorganization is always an area of sharp conflict between a President and the various bureaucracies. What is involved for the bureaucracies is the gain or loss of power, prestige, and funds. With or without the acquiescence of its chief, a threatened bureaucracy will muster the support of its allies to protect its interests.

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The bureaucracy, of course, is not a monolith. Perhaps fortunately, much of its energy is dissipated in intramural squabbles—both within the same department, like, for example, the Thirty-Year War between the FBI and the Justice Department and the Voice of America vs. the U.S. Information Agency, or between contending jurisdictions reaching out for the same prize.

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Responsibility for the Carter administration's plan for civil rights reorganization was given to an OMB task force, which came up with a blueprint that centralized various anti-discrimination functions in the Equal Employment Opportunity Commission. Among these were responsibilities for administering the provisions of the Equal Pay Act and the Age Discrimination in Employment Act that are currently held by the Department of Labor. The bureaucracy of the department was not amused and, according to a congressional committee staff member, lobbied extensively with organized labor, women's groups, and senior citizens' organizations to have them take a position against the plan and launch mail campaigns to Congress and the White House. According to the same source, the following sequence of events took place (our camera isolating just one part of the action):

The OMB task force discussed its plan with the American Association of Retired People and came away convinced that the group would support the reorganization. Some Labor Department officials then talked with the AARP, which shortly thereafter drafted a letter to the White House opposing the plan. Eleanor Holmes Norton, director of the EEOC, got wind of the letter. She went to talk with the AARP. The AARP decided not to send the letter and to support the reorganization.

Lauren Selden, a spokesman for the AARP and the National Retired Teachers will say only that the associations changed their position because of Mrs. Norton's strong promise of commitment of resources to the age discrimination aspect of the proposal and her promise to appoint an advisory committee from the senior citizens' groups to help administer the program. Selden denies being lobbied by the Labor Department, saying only that the Labor Department "solicited our views." It should be noted that no competent spokesman for interest groups can afford to make public his dealings with bureaucrats—especially if those bureaucrats are conducting a sub rosa campaign against an administration proposal.

The power structure of Congress is built on the committee system and the bureaucracies constitute the raison d'etre of the subcommittees.

The Natural Ally

Suspicion of the bureaucracy is so deep-seated in the grass roots of the country that running against the bureaucracy is one of the traditional rites of electioneering. And Congress would seem to be almost the last bastion of defense the public has against the expanding size and power of the bureaucracy.

In fact, Congress is the natural ally of the bureaucracy in its expansionism and in its subterranean war with the President. For every bureaucracy there is either a congressional subcommittee to "oversee" it or one whose legislative work meshes with it. An almost complete coincidence of interests exists between these committees and the bureaucracies they monitor. The power structure of Congress is built on the committee system and the bureaucracies constitute the raison d'etre of the subcommittees. The loss of a bureaucracy's power or influence through a cutting of its budget or a threatened reorganization translates into a similar loss for the key members of the subcommittee. Throw in, too, the fact that each subcommittee has exactly the same constituency as

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its counterpart bureaucracy: the urban coalitions, for example, which have a mutually supportive liaison with HUD, maintain a similar relationship with the House Subcommittee on Housing and Community Development. So while candidates talk economy, incumbents know that the votes lie in spending. As the aide of one senator who has a record of unfailing backing for the programs of "his" bureaucracy told me, "My senator gets elected for what he supports on behalf of organized groups, not for what he dismantles on the public's behalf."

It's not that the organized groups control the voters—for the most part, they don't. But they do have the money to finance an opposing candidate, and a well-heeled opponent is what an incumbent fears the most.

Long Standing Relationships

Congressmen and their committee staffs deal on a daily basis with representatives of the bureaucracy. Typically, a ranking political appointee will bring with him to the congressman's office a senior bureaucrat who has at his fingertips the facts about a proposed piece of legislation. For committee staff members, dealing directly with senior civil servants with whom they have long-standing relationships is an important part of their work. They will call on civil servants for their off-the-record views on administration proposals, for advice, and for advance warning of any conflicts between the career bureaucrats and the political leadership of the agency.

Career bureaucrats know how to protect their flanks while, nevertheless, getting their message across. "Well, the agency position is that the legislation should be drafted *this* way," the bureaucrat may say, "and the rationale is thus and so. Some people here, however, think it would be more effective with a slight switch in emphasis . . . ." Frequently, the alternate approach then suggested is one the senior bureaucrat fought for and lost in discussions with his political superiors; as often as not, however, the political leadership of the agency so thoroughly identifies with the top stratum of civil servants that the bootlegged modification of the administration's legislation represents a common position.

Each successive administration, while recognizing the necessity and inevitability of the bureaucracy's contacts with Congress, as well as with the interest groups, tries—with uniform lack of success—to place constraints on the bureaucracy's use of these exchanges for its own purposes.

'Well, the agency position is that the legislation should be drafted *this* way,' the bureaucrat may say, 'and the the rationale is thus and so. Some people here, however, think it would be more effective with a slight switch in emphasis . . . .'

What the administration fears is illustrated by the account Senator Charles Mathias gives of a session that Carl Vinson, when he was chairman of the House Armed Services Committee, held in his office with a high-ranking Navy officer. The officer had just testified in House hearings in support of a rather modest defense budget proposed by the administration. Vinson ushered him into his office, sat him down and said, "And, now, Admiral, take off your muzzle . . . ."

Inevitably, the most loyal administration appointee loosens his muzzle when speaking into receptive congressional ears. "The budget? Well, the President has problems holding it down all across the line, and I'm with him all the way. But, I have to admit I'm disappointed in what he's come up with for us. I had hoped . . . ." ■

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Roxie Munro

Where to Eat in Washington

by Jill Merrill

CAPITOL HILL

Congressional Cafeterias. The two cafeterias on the House side and two on the Senate side are open Monday-Friday when Congress is in session. All are open only to staff and guests at peak lunch times (roughly noon to 1:30, though it varies some) and to the general public from (again, roughly) 8 a.m. to noon and 1:30 to 3:00. Rating them is a little like choosing between long and short knives to kill oneself, but the Senate cafeterias are a bit more cheerful and conducive to digestion, and are famous for their good down-home breakfasts, including grits and homemade breads. The worst of the lot is the Longworth Building cafeteria on the House side, which used to be a garage—not much has changed since that incarnation.

Deli-Phone, 515 2nd St, N.E., 547-4774. No credit cards or reservations. Monday-Friday, 10 a.m. - 7 p.m.; Saturday, 11 a.m. - 3 p.m.; closed Sunday. This is a cafe on the Senate side of the Hill that can seat up to 80 people when it's nice enough for the out-door tables. You'll get a good, light meal here. At lunchtime on weekdays there's a soup/salad/sandwich buffet that's a bargain at $2.95.

Dubliner Restaurant and Pub, 4 F St. N.W., 737-3773. Open seven days, 7 a.m.-2 a.m. Though not at a Joycean level of grubbiness, the Dubliner does have a noisy charm. The food is mercifully American with a few continental specialties and moderately priced. Many congressional aides like the Dubliner, so if you don't like crowds, avoid lunch and happy hour.

Gandy Dancer, 200 E St. N.E., 546-3377. Sunday-Thursday, 11:30 a.m.-midnight; Friday and Saturday, 11:30 a.m.-3 a.m. A gandy dancer is an old-time railroad worker; this restaurant is so called because it's near Union Station. It's cheerful and airy, with a dining room downstairs and a bar, tables, and comfortable sofas upstairs. If you can put up with slow, often discombobulated service, you'll find the food good, attractively prepared, and moderate in price. A popular singles place.

Hawk and Dove, 329 Pennsylvania Ave. S.E., 543-3300. Monday-Thursday, 10 a.m.-2 a.m.; Friday until 3 a.m.; Saturday, lunch only closed Sunday. Although this restaurant is attractive, it's so crowded and noisy at lunch it should be called Crow and Raven. The service is terrible, but the soups are good. The atmosphere improves markedly in the evening. It's a nice place to sit and talk over a drink.

Hyatt Regency, 400 New Jersey Ave. N.W., 737-1234. There are three restaurants in this hotel. **Jonah's Oyster Kitchen** serves lunch 11:30 a.m.-2:30 p.m. and dinner 5:30 -10 p.m. seven days a week. It's expensive, but this is a good town for seafood, and it's well-prepared here. Definitely need reservations for lunch. **Hugo's** serves dinner only, 6-10:30 p.m. weekdays and until 11 p.m. on weekends. It's on the roof of the hotel—an impressive setting—and the food, like the Hyatt itself, is expensive and more pleasing to the eye than the soul. **Park Promenade** offers three expensive meals seven days a week and is convenient, but not much else. The best deal at the Hyatt is the Sunday buffet brunch, served in the lobby from 11

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a.m. to 3 p.m. For $7.95 you get all the champagne, eggs, meat, and seafood you can eat.

La Ruche, 239 Massachusetts Ave. N.E., 546-9154. No reservations. Monday-Saturday, 11:30 a.m.-midnight; closed Sunday. This charming French cafe offers pleasant, airy surroundings and excellent food. The seafood quiche and the pastries are especially good. The service is attentive and the prices moderate. They don't have a liquor license, which ends up as a bonus for the customer—bring in your own bottle of wine (there are three liquor stores in the same block as La Ruche) and the cafe cheerfully supplies the glasses. The drawback: the tables are napkin-sized.

Machiavelli's, 613 Pennsylvania Ave. S.E., 543-1930. Tuesday-Thursday and Sunday, 5-11p.m.; Friday and Saturday, 5 p.m.-midnight; closed Monday. Here you'll find sporadically good, moderately priced Southern Italian cooking in a decor right out of a Jean Harlow movie. It's very popular, but the herding is efficient so the service doesn't suffer. There's a jukebox full of old tunes and a cheerfully decadent atmosphere.

Mike Palm's, 231 Pennsylvania Ave. S.E., 543-8337. No reservations. Monday-Saturday, 11 a.m.-2 a.m., Sunday, 11 a.m.-1 a.m. This used to be a cranky, unpretentious restaurant with no-nonsense waitresses and menu. It's been transformed into yet another California-style place, full of redwood and plants, and the quality of the food has gone downhill.

Monocle, 107 D St. N.E., 546-4488. Reservations recommended at lunch. Monday-Friday, 11:30 a.m.-1 a.m.; closed for lunch Saturday and all day Sunday. As the timetable suggests, this is a place for working meals. While the genial, back-slapping atmosphere can be an annoyance, the food isn't bad. Expensive.

The Refectory, Capitol Building (ground floor, North Wing, Senate side), 224-4870. This is by far the best government-operated restaurant on Capitol Hill. It consists of a series of small rooms with vaulted ceilings and tile floors, and it's open to the public. The specialties of the house are Senate bean soup (45 cents) and hot Southern pecan pie (75 cents). The restaurant is open from 10 a.m. until whenever the senators leave the floor for the day; when Congress isn't in session, it's open 8 a.m. to 4 p.m.

Taverna the Greek Islands, 307 Pennsylvania Ave. S.E., 547-8360. Monday-Wednesday, 11 a.m.-11 p.m.; Thursday-Saturday, until midnight; Sunday 4-11 p.m. Good, inexpensive Greek food enhanced with live Greek music every night except Monday. A great meal for the money.

Tiber Creek Club, 15 E St. N.W., 638-0900. Weekdays, 11:30 a.m.-2:30 p.m.; Monday-Thursday, 6-10 p.m.; Friday and Saturday, 6-11 p.m. A comfortable pub in the Bellevue Hotel where you can stretch out and enjoy a yard of draft Whitbread or Courage with a tasty English meat pie and other pub fare at lunch or dinner. Moderate.

Toscanini's, 313 Pennsylvania Ave. S.E., 544-2338. Open 11 a.m.-midnight, seven days a week. There's good pizza, but everything else is fairly expensive and not very subtle. It's justifiably uncrowded.

Tune-Inn, 331½ Pennsylvania Ave. S.E., 543-2725. No credit cards or reservations. Open every day, 8 a.m.-2 a.m. This is a marvelous place where the secret rednecks on the Hill (and they are legion) hang out. The wall-hangings alone make it a must (there's kitsch of every description), but it also happens, rather incidentally, I think, that the food is quite good. The crab cakes and butterfly shrimp, in particular, as well as the cheap beer, rescue the Tune-Inn from being the dive it longs to be.

209½, 209½ Pennsylvania Ave. S.E., 544-6352. Monday-Friday, 11:30 a.m.-2:30 p.m.; Monday-Saturday, 6-10:30 p.m. This elegantly simple restaurant offers a few exquisitely prepared entrees for lunch and dinner. With the pleasant surroundings and impeccable service, reservations are recommended. Expensive.

Yolanda's, 223 Pennsylvania Ave. S.E., 544-6603. Lunch, 11:30 a.m.-2:30 p.m., Monday-Friday only; dinner 6 p.m.-midnight, Saturday and Sunday open until 1 a.m. A very attractive wood-paneled restaurant with wood-burning fireplace. Yolanda herself creates delicious pastas every evening. At lunch the menu is conventional but good. The prices are moderate and they take no reservations. The restaurant is above **Jenkins Hill**, which is more of a singles bar than a restaurant, although you can order standard pub fare. Jenkins Hill is open 11:30 a.m.-2 a.m. Monday-Thursday; Friday and Saturday until 3 a.m.; Sunday 10:30 a.m.-2 a.m.

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Killing the Messenger: The Carter Administration and the Facts About Oil and Gas

by Bruce Bartlett

Last September Secretary of the Interior Cecil Andrus announced that he was replacing Vincent McKelvey as director of the U.S. Geological Survey. This was an unusual announcement for several reasons:

No director of the U.S. Geological Survey had ever before been removed from office for political or any other reasons. There have, in fact, been only nine directors in the 99-year history of the Survey.

Although the directorship is a political appointment, it has never been treated as such by previous administrations. It has been thought of as more a technical than a policy position.

McKelvey's standing as a geologist has never been higher. Indeed, by all accounts he is one of the finest geologists in the United States, the recipient of virtually every award that can be achieved in his profession.

McKelvey's dismissal came on the heels of a speech in which he seriously questioned the view that America is dangerously close to exhausting its oil and gas resources.

Bruce Bartlett is a special assistant to Rep. Jack Kemp of New York.

McKelvey's firing followed closely a similar forced resignation—that of Dr. Christian Knudsen from his job at the Energy Research and Development Administration after he completed a report showing that large quantities of natural gas and petroleum would become available if prices were decontrolled.

These circumstances are now leading congressmen and members of the scientific community to ask why McKelvey was fired and, more importantly, what effect his firing is going to have on the objectivity of scientific research in government. They contend not that the Carter administration does not have the right to have its own people in the government, but that McKelvey was a technical advisor, not a policy-maker. In policy positions a president needs people who will support him; in technical jobs he needs people who will tell him the truth. The implication is that scientists and technicians who produce data that contradicts administration positions will be replaced by people more compliant.

McKelvey was born in 1916, received his Ph.D. in geology from the University of Wisconsin, and has been

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with the U.S. Geological Survey since 1941. He became chief geologist in 1971 and was appointed director the same year by President Nixon. In keeping with the tradition of maintaining the non-political nature of the directorship, McKelvey was appointed on the recommendation of the National Academy of Sciences.

McKelvey has always held the view that there is a great deal of oil, natural gas, and coal left to be discovered in the United States. This view has frequently brought him into conflict with environmentalists and others who hold a much more pessimistic view of the nation's ability to meet future energy demands unless growth is radically reduced.

When scientists like McKelvey talk about the availability of energy they do so with qualifications that are frequently lost in the discussion. For example, when one talks of "reserves" of oil and gas it means those quantities of the mineral fuels that have already been identified and are considered, on the basis of existing geological and engineering knowledge, to be recoverable under current economic conditions, with existing technology. The term "resources" includes reserves but also includes deposits already identified but not yet recoverable under current economic or technological conditions. Thus, as prices change and technology changes, oil and gas deposits are continually moving from the resource category to the reserve category. One may also speak of "potential" resources, which are not yet identified but, on the basis of good evidence, are considered to be recoverable some time in the future.

Thus when it's said that proven reserves of natural gas in the United States amount to 216 trillion cubic feet (tcf) and that this is sufficient to last the country for only ten years, several assumptions are involved: It's assumed that the price will not go up, that costs will not go up, that demand will stay at roughly 21 tcf per year, that technology will not change, and that no new reserves will be discovered--in other words, a static situation in which nothing changes.

By contrast, discussions about oil and gas *resources* imply that prices and technology can and will change. A change in price will affect the use of certain technologies, and a technological breakthrough may change the price necessary to make certain resources recoverable. This is the way it has always been, and it's why it is not surprising that the United States has never had more than a dozen years' worth of oil *reserves* at any time. In 1914 the U.S. Geological Survey estimated total future domestic production of petroleum at only six billion barrels. The U.S. now produces this much oil approximately every 20 months and has done so for years. Thus, Professor Edward Mitchell of the University of Michigan has said:

"The fact that oilmen hold only ten or 15 years' supply of oil under the ground should be of as much concern to us as the fact that shoe stores keep only 30 days' supply of shoes on the shelf. To hold more would be unprofitable for the businessman and uneconomical for society."

Vast Resources

In this light we can now consider what McKelvey said in a Boston speech on July 13, 1977. McKelvey talked about the vast fuel resources that are potentially available in the United States. In the case of natural gas, for example, he said:

"By far the greatest potential sources of natural gas are the geopressurized zones underlying the Gulf Coast region, both on and offshore. The limited investigations that have been made of this region led to estimates of as much as 60,000 to 80,000 trillion cubic feet of gas dissolved in water at a ratio believed to average 25 cubic feet per barrel of water. *This is an almost incomprehensibly large number. Even the bottom of the range represents about ten*

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times the energy value of all oil, natural gas, and coal reserves in the United States combined." (Emphasis added.)

The importance of this statement is that it came at a time when Congress was in the middle of a debate over deregulation of new natural gas. The Carter administration was fighting deregulation on the grounds that there was little new natural gas left to be discovered. If this were true, then it would make sense to argue that an increase in prices would only increase profits to producers and accomplish nothing else. But McKelvey's estimates of potential reserves totally contradict this position. If the resources exist, then incentives can be provided for their discovery and production. President Carter made this point himself prior to the election in a letter to the governors of Texas, Oklahoma, and Louisiana:

"The decontrol of producers' prices for new natural gas would provide an incentive for new exploration and would help our nation's oil and gas operators attract needed capital. Deregulation of new gas would encourage sales in the interstate market and help lessen the prospect of shortages in the nonproducing states, which rely on interstate supplies. While encouraging new production, this proposal will protect the consumer against sudden, sharp increases in the average price of natural gas."

Keep in mind that Carter was talking about deregulating the price of only newly discovered natural gas, not gas that has already been discovered and is under production. But when deregulation forces in the Congress, a few months later, proposed the same thing, the administration opposed it. The logic of Carter's new position is not entirely clear, but when asked by Senator Herman Talmadge to comment on press reports of large potential natural gas resources, Energy Secretary James Schlesinger replied, "I haven't read those carefully because they seem to be based on smoking pot."

Schlesinger's statement is consistent with the administration's position that there is no natural gas left to be discovered and that price therefore has no influence on supply. As White House press secretary Jody Powell said during a press conference on June 3, 1977, President Carter believes "that even if we increased the price of oil to provide an additional $20 per barrel, there would be very little, if any increase in our production. . . and the same is true in the price of natural gas."

The Two Assumptions

McKelvey's data called into question the first major assumption needed to justify the administration's position—that America has no potential resources. The second major assumption—the non-influence of price on supply—was contradicted in a study done for the Energy Research and Development Administration by Dr. Christian Knudsen.

Early in 1977 ERDA set up a task force called the Market Oriented Program Planning Study (MOPPS) to determine what the availability of oil and natural gas would be under various price assumptions. Knudsen, a chemical engineer, was appointed head of the study.

The study's first set of projections, hereafter referred to as MOPPS I, showed that at a price of $2.50 to $3.00 per thousand cubic feet (mcf), as compared to the federally controlled price of $1.45 per mcf, the nation would be engulfed in natural gas.

The reason is that at somewhere around $2.50 per mcf it becomes profitable to drill into geopressurized methane deposits, which are known to lie at depths of 15,000 feet or more. Because of the enormously high drilling costs, you simply cannot begin exploring the geopressurized regions unless there is a higher rate of return than is attainable at the controlled price. ERDA has done at least one test well at this depth without conclusive

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results, but recently Chevron has been reported to have drilled a well in Louisiana that hit a huge geopressurized methane deposit.

Following the completion of MOPPS I Knudsen was transferred, the estimates thrown out, and a new study commissioned to find estimates closer to the views of the Carter administration. The MOPPS II study came out with supply estimates considerably lower than those of MOPPS I. But while these were more in line with the thinking of the administration, they were still too high. Thus MOPPS III was born, and it showed still less natural gas available at even higher prices.

Twice the gas at twice the price

Throughout all this revision of the MOPPS data, the studies were kept highly confidential. Finally, on June 3, after the press had picked up reports of the studies, all three MOPPS studies were released to the public. Although they differ in their estimates of how much supply responds to higher prices, all three studies confirm that such a response exists. Even the most pessimistic estimate, MOPPS III, showed that twice the present reserves of natural gas would become available at roughly twice the controlled price: 465 tcf at $3.00 per mcf.

Knudsen testified under oath that when his MOPPS report was released, after he had been removed from the project and moved to another job within ERDA, he was told that the real reason for his transfer was that the results of his study conflicted with conventional wisdom and concurred with industry estimates.

The case of Knudsen has been pretty much forgotten, but the case of McKelvey continues to draw interest on Capitol Hill and in the scientific community, due to his unquestionably high qualifications. Several members of Congress recently asked the House Government Operations Committee to undertake an investigation of the McKelvey matter, and Rep. Leo Ryan's subcommittee on Environment, Energy, and Natural Resources is expected to hold hearings later this year.

Politicize a federal organization

On the day McKelvey was dismissed, *The New York Times* reported, "Administrators of the survey supporting Dr. McKelvey. . . charged that this was an attempt to politicize a federal organization that is basically scientific in nature." This is really the most serious issue involved in the entire McKelvey matter, for it conjures up memories of Lysenkoism in the Soviet Union. This is not to say that an incoming administration should not have the right to appoint to politically sensitive jobs people who are compatible with its views. But it is another thing to fire, for example, the head of the Bureau of Labor Statistics because he produces unfavorable unemployment statistics. So it is with McKelvey, and it's a shame that just because they don't find his information pleasant, liberals haven't jumped to his defense. You don't have to agree with the idea of deregulation to admit that more gas would be available at a higher price; you could just as easily choose to stick with a lower price and less gas.

To this charge the Carter administration responds that McKelvey was removed from office because he was a poor administrator, not because his data contradicted its energy policy. But this runs counter to the views of almost everyone who has ever worked with McKelvey.

There is no evidence at all—and none is implied—that McKelvey or Knudsen personally opposed any of the administration's policies. The contention is that they produced scientific data, objectively derived, that contradicted the administration's position. If they were in fact removed from office for this reason, then it signals a kill-the-messenger mentality in the Carter administration that ought to be strenuously opposed. ■

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Richard Reeves on Political Books

Polls in the 1974 California gubernatorial campaign indicated that Jerry Brown, the Democrat, began the contest far ahead of his Republican opponent, Houston Flournoy. So, Flournoy, with less to lose, wanted television debates. Brown didn't, but he also didn't want to appear to be afraid of confrontation.

What do you do when you want to get away with doing the opposite of what you want people to think you're doing? Being a clever young man and a graduate of Yale Law School, Brown knew exactly what to do when he etc., etc. . . . He called a lawyer. In fact, he called all his lawyers. They worked out a contract that Flournoy was forced to sign if he wanted the debates, which were usually held at odd hours on public television stations in minor markets like Fresno. When stations in Los Angeles and San Francisco wanted to broadcast segments, they were told it was forbidden by "the contract." Radio broadcasts were also prohibited by "the contract."

The contract, of course, wasn't worth the paper it was written on. It was a private agreement binding on no one but the people who signed it. But it worked: the Brown-Flournoy debates were something of a media non-event. Granted, the lawyers' trickery demonstrated just how laid-back electronic journalism is in California, but it also showed, once again, how much lawyers can get away with when they intone their mumbo-jumbo to the non-counseled.

Jethro K. Lieberman, an attorney himself, goes after the mumbo-jumbo and his profession in a book published this month by W.W. Norton: *Crisis at the Bar: The Unethical Ethics of Lawyers and What to Do About It.* Right subject. Wrong book. *Crisis at the Bar* ends where I think it ought to begin: "Unless lawyers themselves begin to make the necessary changes in their professional lives and relationships more will be lost than the right to call lawyers ethical . . . . Not merely the lawyers' freedom, but that of all hangs in the balance."

But before he says that, Lieberman documents that lawyers are not particularly interested in self-reform. It is a profession, after all, that stands by when one of its most distinguished practitioners, Edward Bennett Williams, makes a public mockery of

Richard Reeves is the author of Convention. *His column is a regular feature of* The Washington Monthly.

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American jurisprudence. Judging by the silence of bar associations, it is perfectly acceptable for an attorney to plead his client guilty—in this case, former Central Intelligence Director Richard Helms—then plead for mercy, then stand before television cameras outside the court and say that the conviction is a badge of honor. Where I come from, that is called contempt —not of the court, but for the law.

But then I don't come from a law school. I'm one of those simple souls who isn't shielded by jargon and the Code of Professional Responsibility and Canons of Judicial Ethics of the American Bar Association. Self-defined ethics are not morals.

Lieberman, however, did bring to my attention a quote for my anti-lawyer file. This one from *Letters of an American Farmer*, published by H. St. John Crevecoeur in 1787:

"Lawyers are plants that will grow in any soil that is cultivated by the hands of others, and once they have taken root they will extinguish every vegetable that grows around them. The fortunes they daily acquire in every province from the misfortunes of their fellow citizens are surprising. The most ignorant, the most bungling member of that profession, will, if placed in the most obscure part of the country, promote litigiousness and amass more wealth than the most opulent farmer with all his toil . . . . "

What scares me is not the amassing of wealth, but of power. Some of that paranoia may come from living in a city, Washington, with one lawyer for every 40 citizens—and believing that the decline of a society is directly proportional to the number of lawyers therein.

Leaving aside the obvious facts that 24 of 39 presidents of the United States and routine majorities of Congress have been lawyers, the brothers (and a few sisters) of the bar have moved into the top ranks of every important institution of the society, a trend that has accelerated as America has transformed from a nation of producers to a huge firm of paper-chasers and deal-makers. Considering the chicken-and-egg problem—which came first—it is impossible for me to untangle my thoughts as to whether the rise of lawyers is primarily responsible for the decline into dealing as a replacement for real work. It's possible. All I can tell is that things have slipped a long way when a U.S. Senator, in this case Jacob Javits of New York, could avoid taking a stand on Watergate for two years by simply saying: "As a lawyer, it would be improper for me to comment."

Javits was citing a higher morality: the bar's Canons of Ethics. What the bar has done, as Lieberman points out in smaller, everyday examples, is to use the canons to recreate a medieval guild system in which the members of a craft control the production, conditions of entry and membership, and the price structure of their business. (The sacred canons, according to *Crisis at the Bar*, were written by three former Confederate Army colonels in Alabama in 1887.)

"The adoption of the canons of ethics in 1908," Lieberman writes, "gave to a small elite an instrument of considerable power with which to control the entire profession. . . [the bar] could and did use the canons of ethics, together with bar examinations, increasingly stringent educational requirements, and character committees to limit the admission of would-be advocates and to lift the practice of law outside the rules of capitalism."

There have been small cracks in the walls around the profession—allowing lawyers to advertise is one—but, in general, the bar has been successful in substituting its private ethic for public morality in the society. A private ethic, based on the adversary system, that does its best to make the lawyer in power a person answerable only to a client or his fellow attorneys. The rest of us are only left to reflect that if politics is too important to be left to politicians, things like government are too important to be left to lawyers. ■

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political book notes

Public affairs books to be published in April.

Adopting the Older Child. Claudia L. Jewett. Harvard, $11.95.

Affair. Anthony Amato, Katherine Edwards. Putnam's, $7.95. This book represents some new step down the road to decadence in America. Here's the gimmick: two freelance writers have an affair, keep separate diaries chronicling it, and then publish them, with the names changed. They also wreck their lives, but what the hell, it's a good read.

Arkansas: A History. Harry S. Ashmore. Norton, $8.95.

Brown. Orville Schell. Random House, $10. Schell, who published a book about China last year, followed Jerry Brown and his aides around for several months and has reported what he heard almost verbatim. Don't expect any judgment or analysis here, because there isn't any; Schell is an adherent of the draw-your-own-conclusions school of journalism. He has, however, done an admirable job of amassing Brown material and conveying what the man is like—intelligent, but completely a creature of impulse and whim.

Chance and Circumstance: The Draft, the War and the Vietnam Generation. Lawrence M. Baskir, William A. Strauss. Knopf, $10. See "Richard Reeves on Political Books" in the January issue of *The Washington Monthly*.

The Chinese Connection. Warren I. Cohen. Columbia Univ. Press, $16.50.

City of Fire: Los Alamos and the Birth of the Atomic Age, 1943-45. James W. Kunetka. Prentice-Hall, $10.95.

Computer Capers: Tales of Electronic Thievery, Embezzlement and Fraud. Thomas Whiteside. Crowell, $7.95.

The Constitution and Chief Justice Marshall. William F. Swindler. Dodd, Mead, $17.95.

Detour. Michael Brodsky. Urizen, $8.95.

District Nurse. Patricia Jordan. St. Martin's, $7.95.

Does Freedom Work? Liberty and Justice in America Today. Donald J. Devine. Caroline House, $10.

Doing Good. Willard Gaylin, Ira Glasser, Steven Marcus, David Rothman. Pantheon, $8.95. Four essays on "the limits of benevolence" that are well worth reading. The one by Marcus raises some troubling questions about the guaranteed annual income.

Energy and Social Change. James O'Toole, The Center for Futures Research. MIT Press, $4.95.

Essays in Public Economics: The Kiryat Anavim Papers. Agnar Sandmo, ed. Lexington, $16.

The Family. Alice S. Rossi, Jerome Kagan, Tamara K. Hareven, eds. Norton, $10.95/$4.95.

A Festering Sweetness. Robert Coles. Univ. of Pittsburgh Press, $6.95/$3.95.

Fiction and the Fiction Industry. J. A. Sutherland. Athlone, $6.95.

Funerals: Consumers' Last Rights. The Editors of *Consumer Reports*. Norton, $10.95.

Getting From Here to There. W. W. Rostow. McGraw-Hill, $12.95.

The Human Future Revisited: The World Predicament and Possible Solutions. Harrison Brown. Norton, $10.95. Twenty-five years ago, when Harrison Brown wrote *The Challenge of Man's Future*, he recognized that our civilization might perish in a nuclear holocaust. He still regards the system of "deterrence" under which the United States

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William Julius Wilson the declining significance of race

Blacks and Changing American Institutions

A clear-sighted analysis of changing patterns of discrimination which contends that, for the first time, class has become more important than race in determining black access to privilege and power. Wilson examines the complex economic and political changes that have created this growing division among blacks and new hardship for the underclass. ***"Wilson's analysis of the problem of the black lower class is one of the best I've seen. It is a good and valuable work in defining just where the problem is—and where it isn't."***
—Nathan Glazer. *$12.50*

The University of Chicago Press

and the Soviet Union point unbelievably destructive weapons at each other as the single greatest threat to industrial civilization. But in the intervening years other dangers have ranged themselves alongside nuclear destruction.

Beyond nuclear havoc through big-power collision and tiny-nation-with-big-bomb possibilities the vulnerabilities include: the dependence of the industrial nations (even the Soviet Union will be so dependent) on the undeveloped countries for petroleum, their primary energy source, and the danger of escalating military action should that oil be withheld; the growing dependence of industrial nations, except for the Soviet Union, upon the importation of important metals without which they couldn't function; the devastating effects climatic changes could have on the world food situation; the vulnerability of our complex technology to breakdown or sabotage; the inevitable day when terrorists will have access to nuclear weapons; the possibility of uncontrollable epidemics growing out of experimentation with genetic structures.

If these dangers read like the Perils of Pauline, unlike that hapless heroine, we have the capability of overcoming them. We don't *have* to be dependent on outside oil. The United States, and man in general, have enough other energy resources—and metals—to last thousands of years. But getting at these resources will be expensive and will require the will to establish long-range public policy. Similarly, we have the capability of modifying climate on a large scale. Brown notes, for example, that spreading black soot in the Arctic region would, by increasing reflectivity, melt the ice in a few years and bring temperate climate to the area.

Brown's scope is cosmic, his erudition intimidating. His discussion of energy should be required White House reading and *The Human Future Revisited* a volume in every educated person's library.

—Leonard Reed

Illinois: A History. Richard J. Jenson. Norton, $8.95.

The Illusion of Peace: Foreign Policy in the Nixon-Kissinger Years. Tad Szulc. Viking, $17.50.

The Justices of the United States Supreme Court, Vol. V. Leon Friedman, ed. Bowker, $45.

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Kolyma: The Arctic Death Camp. Robert Conquest. Viking, $10.

Legend: The Secret World of Lee Harvey Oswald. Edward Jay Epstein. Reader's Digest, $12.95. A fascinating real-life spy story about Lee Harvey Oswald, the CIA, the KGB, and double agents, "moles", cover stories, and so on. Epstein's thesis is that Oswald was in touch with the KGB during his time in Russia, that the KGB took pains to spread a false story that that wasn't the case, and that the American intelligence agencies did not bring the truth to life. *Legend* does not purport to shed any light on who killed JFK which shows admirable restraint on Epstein's part.

Lost Tribes and Promised Lands: The Origins of American Racism. Ronald Sanders. Little, Brown, $15.

Lying: Moral Choice in Public and Private Life. Sissela Bok. Pantheon, $10.95.

Magubane's South Africa. Peter Magubane. Knopf, $12.95/$7.95.

Mencken: A Study of His Thought. Charles A. Fecher. Knopf, $15.

Mocking Justice: America's Biggest Drug Scandal. Hamilton E. Davis. Crown, $8.95.

Money Madness: The Psychology of Saving, Spending, Loving and Hating Money. Herb Goldberg, Robert T. Lewis. Morrow, $8.95.

Nigeria. C. Thurstan Shaw. Norton, $16.95.

Nixon Presidential Press Conferences. George W. Johnson, ed. Earl M. Coleman Enterprises, $35.

The Non-Alignment Movement in World Politics. Arch W. Singham, ed. Lawrence Hill, $6.95.

On Aesthetics in Science. Judith Wechsler. MIT Press, $12.50.

On Moral Fiction. John Gardner. Basic, $8.95.

Perjury: The Hiss-Chambers Case. Allen Weinstein. Knopf, $15. Alger Hiss was clean-cut, handsome, courteous, Harvard Law, State Department, member of the American delegation at Yalta, organizer of the founding conference of the United

Public Affairs Books

THE CULTURE OF INEQUALITY *Michael Lewis*

Michael Lewis argues that the persistence of social and economic inequality in America is the result of a cultural belief system based on individual responsibility for personal success or failure and on the myth of equal and unlimited opportunity for the willing. After tracing the historical roots of this belief system and its strategic role in our society, the author illustrates its day-to-day presence in the sentiments of people living in a medium-sized American city. $12.50

CRISIS ON THE LEFT *Mary Sperling McAuliffe*
Cold War Politics and American Liberals, 1947-1954

Mary Sperling McAuliffe shows that traditional liberal preoccupations with individual freedom and civil liberties were blunted during the McCarthy years by concern for national security, growing antagonism toward the radical left, and fear of the political right—and that liberals willingly participated in an attempt to deny civil liberties to those whose political beliefs they did not share. $12.50

HOW THE RURAL POOR GOT POWER *Paul David Wellstone*
Narrative of a Grass-Roots Organizer

How The Rural Poor Got Power is the story of several hundred ordinary people and their organization for political power in one southern Minnesota county. Paul David Wellstone chronicles the origins, development, successes, and failures of this grass-roots coalition which sought to replace moral suasion with political clout. $12.50

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Nations, and now, in 1948, president of the Carnegie Endowment for International Peace.

Whittaker Chambers was fat, sloppy, rotten-toothed, a college drop-out, and a confessed ex-member of a Communist apparatus engaged in stealing U.S. government documents for the Soviet Union.

In 1948 Chambers, then a senior editor of *Time*, testified before the House Committee on Un-American Activities that Hiss, while in the State Department during the 1930s, had been part of a Communist underground. Hiss denied even knowing Chambers and sued him for slander. Chambers then broadened his charge against Hiss to include espionage. He produced microfilm and documents that he said Hiss had copied or taken from State Department files. Their conflicting stories eventually resulted in Hiss's being tried and found guilty on charges of perjury. Charges of treason were not brought because more than ten years had elapsed since the acts Chambers alleged.

Those are the bare bones. But several circumstances added interest to the case. As early as 1939 Chambers had identified members of the Communist underground, including Hiss, to A.A. Berle, Assistant Secretary of State—and nothing had happened to slow down Hiss's steady rise in the department. In 1942 the New York office of the FBI sent directly to J. Edgar Hoover an eight-page report on its interview with Chambers covering essentially the same ground—and Hoover dismissed the information as mere hypothesis. During the legal proceedings Adlai E. Stevenson, Supreme Court Justices Stanley Reed, and Felix Frankfurter, as well as a host of other establishment figures, attested to Hiss' integrity and loyalty, and, outside the courtroom, such figures as Eleanor Roosevelt, Dean Acheson, Walter Lippmann, and Joseph Alsop staunchly stood by Hiss. A young congressman named Richard Nixon received his first national recognition as a driving member of the House committee that brought Hiss down. Another member of Congress named Joseph McCarthy later rode to power because of the vulnerability of political and bureaucratic figures who had been taken in by Alger Hiss's calm assertions of innocence.

The evidence against Hiss is so compelling that unless one is hopelessly addicted to theories of government conspiracy and frame-up there is scant room for doubt.

Why, then, do we need this 700-page book by historian Weinstein?

Because time blurs, and many came to

Reflecting on Campaign Euphoria

In September of 1976 *The Washington Monthly* had some things to say about Carter's prospects that seem particularily relevant now. Some of you missed that issue because you weren't subscribers then. We've put them together for those who wish to look back for insight on today's troubles.

For Jimmy Carter and Other Reformers of Washington: A Sandbag Avoidance and Mine Detector Kit.

It includes the following articles:

The Seductions of Washington Society by James Fallows.

A Kind Word for the Spoils System by Charles Peters.

Why the Sun Will Never Set on the Federal Empire by Nicholas Lemann.

The Foreign Policy Club: They've Been Wrong Before and They'll be Wrong Again by Roger Morris.

I enclose $1.00 for: **For Jimmy Carter and Other Reformers of Washington: A Sandbag Avoidance and Mine Detector Kit.**

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regard Hiss as a victim of McCarthyism and Chambers as one of McCarthy's minions (Chambers considered McCarthy a witless primitive). . . because one of the Watergate-induced delusions is that everyone ever attacked by Nixon was by definition innocent (see "Alger Hiss and the Smoking Gun Fallacy," *The Washington Monthly*, October, 1975, which is cited by Weinstein) . . . because, after serving time, Alger Hiss at 76 is still around, seeking vindication (having won his fight for a government pension and the right to practice law in Massachusetts), and Whittaker Chambers is gone. . . because new material has become available since 1975 with the release of FBI and Justice Department files on the case. . . because well-intentioned people like Lillian Hellman periodically write books like *Scoundrel Time* with more passion than attention to facts . . . and because, therefore, a whole new generation has grown up susceptible to the fallacy of regarding Alger Hiss as another Alfred Dreyfus.

That's why.

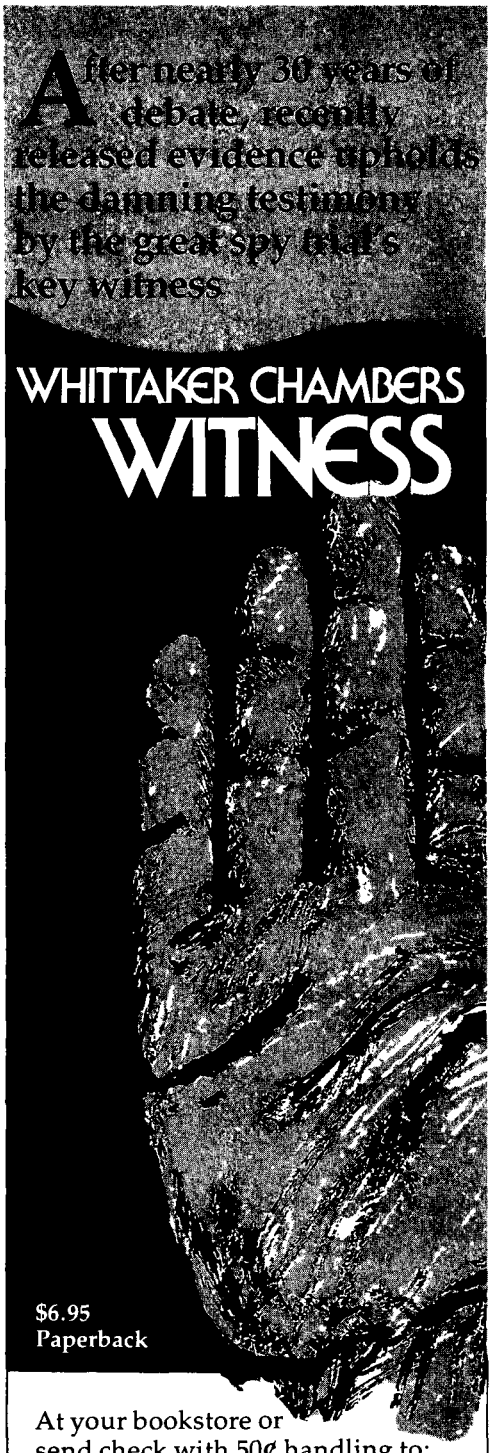
—Leonard Reed

The Perpetual Dream: Reform and Experiment in the American College. Gerald Grant, David Riesman. Univ. of Chicago Press, $15.

The Private Sector: Rent-A-Cops, Private Spies and the Police-Industrial Complex. George O'Toole. Norton, $10.95.

Protest, Politics and Prosperity: Black Americans and White Institutions, 1940-75. Dorothy K. Newman, et al. Pantheon, $15/$4.95. Gunnar Myrdal's classic work, *An American Dilemma*, analyzed race relationships in the United States up to about 1940. Newman and her co-authors take it from there in a book that must be ranked a major contribution to the subject.

In the South of the 1940s, "Long days at stoop labor sometimes brought [blacks] $3 or less a week. . . . Black children went to schools that were open fewer days each year (to free them for field work). . . . black adults could still expect to be beaten or fired from their jobs for attempting to register to vote. . . . Ordinary life was conditioned by discrimination: separate parks, separate water fountains, separate lines and waiting rooms, separate sections of the bus or train. . . . Black accident victims would bleed to death before white hospitals would treat them. . . . White restaurants would serve German prisoners-of-war inside, while black



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American soldiers were made to stay, unfed, outside. . . . "

Out of the struggles of the fifties and sixties, from the quiet but unremitting legal grinding away by the NAACP and the National Urban League to the massive civil rights demonstrations, a different America emerged in which the new ingredient was the black vote and the leverage it gave. The last hurrah of the civil rights movement, said Atlanta's first black mayor, isn't being heard in the streets, because it's in office. Or, as Andrew Young put it, "You don't have to demonstrate when you can pick up a phone and call someone."

The authors proceed from the conviction that such advances as have occurred were wrested from those in power. Until the Voting Rights Act was passed, Senator Strom Thurmond used to refer to blacks in his state as "them Nigras." Later he came to call them his "colored constituents." And, by 1975, Thurmond was supporting a black South Carolina lawyer for appointment to the U.S. Court of Military Appeals. (It calls to mind the belated discretion shown by the Paris newspaper that headlined Napoleon's flight from Elba, THE OGRE ESCAPES, and his return to France, THE EMPEROR ARRIVES.)

So, compared with the forties, massive changes have taken place, but there is still an enormous gap separating black and white in America. Residential integration is still insignificant. Blacks have benefited, although less than other Americans, from the sweeping gains in living standards during the last three decades. But welfare, which was supposed to wither away as social security and full employment took over, remains the major source of income security for a disproportionate number of blacks; the jobs they held in the past were either not covered by social security or the pay was too low to yield adequate payments in old age, and anything approaching full employment still bypasses the black community. Black and white Americans still live out their lives in separate social worlds. The separation is no accident –it has become institutionalized and, in the authors' view, will remain until the resistance of the white world to change is overcome.

The flaw in this provocative work is the collective hairshirt the authors won't unbutton even a little. They adamantly refuse to see any connection between the great changes they document so well and certain qualities of decency in the American civilization that may have facilitated those changes. Gunnar Myrdal, free of guilt, would have played it a bit differently.

–Leonard Reed

Rated X: The Moral Case Against TV. Mary Lewis Coakley. Arlington, $9.95.

The Runaways: Children, Husbands, Wives and Parents. Myron Brenton. Little, Brown, $8.95.

The Senate Nobody Knows. Bernard Asbell. Doubleday, $10. Bernard Asbell spent a great deal of time with Senator Edmund Muskie and his staff and has recorded his findings in diary form. Besides being engaging reading, this is a valuable source-book for students of the Senate, because Asbell has been given an extraordinary amount of access that occasionally produces richly revealing little tidbits. There's no effort made to put together the big picture, however, and you have to slog through some dull or familiar information.

Stained Glass. William F. Buckley, Jr. Doubleday, $7.95.

The Subsidized Muse: Public Support for the Arts in the United States. Dick Netzer. Cambridge Univ. Press, $14.95.

A Time for Truth. William E. Simon. Reader's Digest, $12.50.

Two Cheers for Capitalism. Irving Kristol. Basic, $10. The author, one of the better minds in the neo-conservative movement, always deserves our close attention. But here he shows little understanding of the entrepreneurship that makes capitalism tick and of what government can do to give specific encouragement, as distinguished from being generally kind to the rich, to the people who create new jobs and build better plants.

Watergate and the Constitution. Philip B. Kurland. Univ. of Chicago Press, $12.50. The author, a brilliant legal scholar, finds that nothing has been done to cure the constitutional deficiencies revealed by Watergate: inadequate congressional oversight of the executive branch and too much power in the White House staff. One problem with the book is Kurland's lack of understanding of the defects in the executive branch that led to the growth and power of the White House staff.

Zero-Based Budgeting and Program Evaluation. Joseph S. Wholey. Lexington, $14.

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"...trenchantly written, full of learning in law and history, and bound to be provocative in its portrait of a constitutionally deranged Republic and its call for a return to ancient moorings."
—Paul A. Freund

WATERGATE AND THE CONSTITUTION

Philip B. Kurland

A book about Watergate that does not concern itself with the seemingly never-ending inquiry into who did what when but with the infinitely more important constitutional crisis of cumulated power that the affair brought to light. The distinguished Chicago law professor, editor of *The Supreme Court Review,* examines the sources of that crisis and shows how the constitutional disease that infected the system is still uncured.

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